



March 14, 2025

To Whom It May Concern

Company Name: TENMA CORPORATION
 Representative: Hirohiko Hirono,
 President and Representative
 Director
 (Prime Market of TSE, Securities
 Code 7958)
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Notice regarding Implementation of MBO and Recommendation to Tender Shares

TENMA CORPORATION (hereinafter, the “Company”) hereby announces that it has resolved as follows at the board of directors meeting held today to state an opinion in favor of a tender offer (hereinafter, the “Tender Offer”) for the common shares of the Company (hereinafter, the “Company Shares”) by FHL Holdings Inc. (hereinafter, the “Tender Offeror”) to be carried out as part of a management buyout (MBO) (Note 1), and also to recommend that the Company’s shareholders tender their shares in the Tender Offer.

The resolution by the board of directors above was made on the assumption that (i) the Tender Offeror plans to take the Company’s shares private through the Tender Offer and the subsequent series of procedures, and (ii) the Company Shares are planned to be delisted.

(Note 1) A management buyout (MBO) generally refers to a transaction in which the management team of the Company that will be acquired raises all or part of the funds necessary for the acquisition and then purchases the shares of the Company on the assumption that the business of the Company will be continued.

1. Overview of the Tender Offeror

(1)	Name	FHL Holdings Inc.
(2)	Location	23-12, Koraku 2-chome, Bunkyo-ku, Tokyo
(3)	Name and title of representative	Hiroshi Kaneda, Representative Director Soo Jung Lee, Representative Director
(4)	Description of business	Investment business
(5)	Capital	3,000,000 yen (as of today)
(6)	Date of incorporation	August 27, 2018

(7)	Large shareholders and their ownership percentages (as of March 14, 2025)	Hiroshi Kaneda	80.00%
		Soo Jung Lee	20.00%
(8)	Relationships between the Company and the Tender Offeror		
	Capital relationships	As of today, the Tender Offeror holds 2,786,000 Company Shares (Ownership Ratio (Note 1): 13.80%). Mr. Hiroshi Kaneda, who is a shareholder and a representative director of the Tender Offeror, holds 300,771 shares of the Company Shares (Note 2) (Ownership Ratio: 1.49%) as of today. In addition, Kaneda Kosan Corporation, which is wholly owned by the Tender Offeror and whose representative director is Mr. Hiroshi Kaneda, holds 2,924,120 shares of the Company Shares (Ownership Ratio: 14.49%).	
	Personnel relationships	Mr. Hiroshi Kaneda, who is a director of the Company, concurrently serves as a representative director of the Tender Offeror.	
	Transactional relationships	N/A	
	Status as related person	The Tender Offeror is a major shareholder of the Company and Mr. Hiroshi Kaneda, who is a director of the Company, and his relative holds 100.00% of the voting rights of the Tender Offeror, making the Tender Offeror a related party of the Company.	

(Note 1) "Ownership Ratio" means the ratio (rounded off to the second decimal place; hereinafter the same shall apply to the calculation of the Ownership Ratio) of the number of shares held by a relevant shareholder out of the number of shares (20,182,637 shares) (hereinafter, the "Base Number of Shares") calculated by subtracting the number of the treasury shares owned by the Company as of February 28, 2025 (i.e., 2,130,389 shares; the number of such treasury shares does not include the 237,504 shares of the Company Shares (Ownership Ratio: 1.18%) owned by Sumitomo Mitsui Trust Bank, Limited as trust assets for the stock delivery trust for officers under the stock compensation plan for employees and officers of the Company and the 13,000 shares of the Company Shares (Ownership Ratio: 0.06%) owned by Sumitomo Mitsui Trust Bank, Limited as trust assets for the stock delivery trust for employees under the stock compensation plan) from the total number of issued shares of the Company as of the same date (i.e., 22,313,026 shares) set forth in the "Share Buyback Report" as disclosed by the Company on March 11, 2025.

(Note 2) The 300,771 shares owned by Mr. Hiroshi Kaneda (Ownership Ratio: 1.49%) does not include the number of the Company Shares (6,812 shares) corresponding to the number of points held by him as of today under the stock compensation plan, as the provisions concerning the stock delivery trust provide that the delivery of the Company Shares under the stock compensation plan will, in principle, be made upon retirement from office.

2. Price of Purchase, Etc.
3,580 yen per common share (the "Tender Offer Price").
3. Substance of and Grounds and Reasons for Opinions Relating to the Tender Offer
 - (1) Substance of Opinions on the Tender Offer

At the board of directors meeting held today, based on the grounds and reasons stated in “(2) Grounds and Reasons for Opinions on the Tender Offer” below, the Company resolved to express an opinion in favor of the Tender Offer and recommend that the shareholders of the Company tender their shares in the Tender Offer.

The resolution at the abovementioned board of directors meeting was made in accordance with the method stated below in “(vii) Unanimous Approval of All Company Directors Not Having a Conflict of Interest (including Directors Who are also Audit Committee Members)” under “(6) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest.”

(2) Grounds and Reasons for Opinions on the Tender Offer

The grounds and reasons for the opinions regarding the Tender Offer that relate to the Tender Offeror are based on explanations received from the Tender Offeror.

(i) Overview of the Tender Offer

The Tender Offeror is a stock company (*kabushiki kaisha*) established on August 27, 2018, and as of today, it is principally engaged in the investment business and is the asset management company of the Company’s founding family who primarily owns the Company Shares. As of today, Mr. Hiroshi Kaneda, who is a director and a founding family member of the Company (“Mr. Hiroshi Kaneda”), and Ms. Soo Jung Lee, Mr. Hiroshi Kaneda’s spouse (“Ms. Soo Jung Lee”), serve as the representative director, and Mr. Hiroshi Kaneda and Ms. Soo Jung Lee own all of the issued shares of the Tender Offeror. As of today, the Tender Offeror is a major shareholder and the second largest shareholder of the Company (as of September 30, 2024; hereinafter the same shall apply to the order of the shareholders (Note 1)), holding 2,786,000 shares of the Company Shares (Ownership Ratio: 13.80%) listed on the Prime Market of the Tokyo Stock Exchange, Inc. (“Tokyo Stock Exchange”). In addition, Kaneda Kosan Corporation (“Kaneda Kosan”), which is wholly owned by the Tender Offeror and whose representative director is Mr. Hiroshi Kaneda, is a major shareholder and the largest shareholder of the Company, holding 2,924,120 shares of the Company Shares (Ownership Ratio: 14.49%), and Mr. Hiroshi Kaneda holds 300,771 shares of the Company Shares (Ownership Ratio: 1.49%).

(Note 1) As stated in “(5) State of Major Shareholders” of “1. State of Shares, etc.” of “III. State of Filing Company” of “Part I. Corporate Information” of the Semi-annual Report for the 77th Fiscal Year filed by the Company on November 8, 2024 (the “Company’s Semi-Annual Report”), a statement of large-volume holdings (statement of changes) was filed with respect to the Company Shares by Dalton Investments, Inc. (“Dalton Investments”); however, as the Company was unable to confirm the number of shares actually held by Dalton Investments as of September 30, 2024, the order of shareholders in this Statement is based on the order of percentage of shares held as stated in the “Percentage of Number of Shares Held to Total Number of Issued Shares (Excluding Treasury Shares)” of “(5) State of Major Shareholders” of “1. State of Shares, etc.” of “III. State of Filing Company” of “Part I. Corporate Information” of the Company’s Semi-Annual Report. The number of shares held by Dalton Investments as of today as reported by Dalton Investments, is 3,699,700 shares (Ownership Ratio: 18.33%).

The Tender Offeror has decided to implement the Tender Offer as part of the transactions for the purposes of acquiring all of the Company Shares listed on the Prime Market of the Tokyo Stock Exchange (excluding the Company Shares held by the Tender Offeror, the treasury shares held by the Company and the Shares Agreed Not to Be Tendered (as defined below)) and privatizing the Company Shares (the “Transactions”).

The Transactions fall under the category of a so-called “management buyout” (MBO) and Mr. Hiroshi Kaneda will continue engaging in the management of the Company after the Transactions. As of today, there is no agreement between the Tender Offeror and other directors (including directors who are Audit Committee Members) of the Company regarding their assumption of office or treatment after the Transactions. The management structure, including the composition of officers of the Company after the completion of the Transactions, will be determined in consultation with the Company after the completion of the Transactions.

In implementing the Tender Offer, the Tender Offeror has, as of March 14, 2025, entered into tender agreements and non-tender agreements (collectively, the “Tender/Non-Tender Agreements”) respectively with Mr. Hiroshi Kaneda (shares owned: 300,771 shares; Ownership Ratio: 1.49%) and Mr. Yasuichi Kaneda, who is the sixth largest shareholder of the Company, who served as the Company’s Chairman and representative director from June 2014 to June 2020 and the father of Mr. Hiroshi Kaneda (“Mr. Yasuichi Kaneda”) (shares owned: 840,716 shares; Ownership Ratio: 4.17%) to ensure that Mr. Hiroshi Kaneda and Mr. Yasuichi Kaneda will continue to hold the position of the shareholders of the Company after the Transactions, and Mr. Hiroshi Kaneda has agreed to tender 101,000 shares (Ownership Ratio: 0.50%) of the Company Shares owned by him in the Tender Offer and not to tender the remaining 199,771 shares (Ownership Ratio: 0.99%) in the Tender Offer and Mr. Yasuichi Kaneda has agreed to tender 281,000 shares (Ownership Ratio: 1.39%) of the Company Shares owned by him in the Tender Offer and not to tender the remaining 559,716 shares (Ownership Ratio: 2.77%) in the Tender Offer. In addition, the Tender Offeror has, as of March 14, 2025, entered into non-tender agreements (collectively, the “Non-Tender Agreements”) respectively with Kaneda Kosan (shares owned: 2,924,120 shares; Ownership Ratio: 14.49%) and BK Finance Ltd. (“BK Finance”), an asset management company of Mr. Hiroshi Kaneda and Mr. Yasuichi Kaneda, and which Mr. Yasuichi Kaneda serves as a representative director (shares owned: 220,700 shares; Ownership Ratio: 1.09%) (hereinafter, Kaneda Kosan and BK Finance are collectively referred to as the “Shareholders Agreeing Not to Tender Any Shares”), and the Shareholders Agreeing Not to Tender Any Shares have agreed not to tender any of the Company Shares held respectively by them (i.e. 3,144,820 shares; Ownership Ratio: 15.58%) in the Tender Offer and the total number of the Company Shares that Mr. Hiroshi Kaneda, Mr. Yasuichi Kaneda and the Shareholders Agreeing Not to Tender Any Shares (collectively, the “Shareholders Agreeing Not to Tender Shares”) have agreed not to tender in the Tender Offer is 3,904,307 shares (Ownership Ratio: 19.34%) (the “Shares Agreed Not to Be Tendered”). Further, in the Tender/Non-Tender Agreements and the Non-Tender Agreements, the Shareholders Agreeing Not to Tender Shares have agreed that (a) if all of the Company Shares (excluding the Company Shares held by the Tender Offeror, treasury shares held by the Company and the Shares Agreed Not to Be Tendered) are not acquired despite the consummation of the Tender Offer, they will, after the consummation of the Tender Offer, vote in favor of any proposal at the Extraordinary Shareholders’ Meeting (as defined in “(5)

Post-Tender Offer Reorganization and Other Policies (Matters Relating to the ‘Two-Step Acquisition’); the same shall apply hereinafter) relating to the series of procedures to make the Tender Offeror and the Shareholders Agreeing Not to Tender Shares the only shareholders of the Company and privatize the Company Shares (the “Squeeze-Out Procedures”) described in “(5) Post-Tender Offer Reorganization and Other Policies (Matters Relating to the ‘Two-Step Acquisition’)” below; and (b) if requested by the Tender Offeror before the consolidation of the Company Shares under Article 180 of the Companies Act (the “Share Consolidation”), which is carried out as part of the Squeeze-Out Procedures, becomes effective, they will enter into a share lending agreement with respect to the Company Shares with the other Shareholders Agreeing Not to Tender Shares and carry out the Share Lending Transaction (as defined below). With these agreements, if the Tender Offer is consummated, the shareholders of the Company will be as follows: (i) the Tender Offeror, which will hold at least 9,550,800 shares (Ownership Ratio: 47.32%), which is the sum of 2,786,000 shares of the Company Shares held by it prior to the Tender Offer (Ownership Ratio: 13.80%) and 6,764,800 shares of the Company Shares equivalent to the minimum number of shares planned to be purchased set forth below (Ownership Ratio: 33.52%), (ii) the Shareholders Agreeing Not to Tender Shares (Ownership Ratio: 19.34%) and (iii) the shareholders of the Company who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Shareholders Agreeing Not to Tender Shares). Moreover, after the Squeeze-Out Procedures scheduled to be carried out after the consummation of the Tender Offer, (i) the Tender Offeror and (ii) the Shareholders Agreeing Not to Tender Shares are expected to be the only shareholders of the Company. For an overview of the Tender/Non-Tender Agreements and the Non-Tender Agreements, please refer to “(I) Tender/Non-Tender Agreements” and “(a) Agreement on tendering in the Tender Offer” of “4. Matters Relating to Material Agreements Concerning the Tender Offer” below.

In addition, in implementing the Tender Offer, the Tender Offeror has entered into a tender agreement (the “Tender Agreement”) with Dalton Investments (shares owned: 3,699,700 shares; Ownership Ratio: 18.33%) on March 14, 2025 and pursuant to which Dalton Investments agreed to tender all of the Company Shares held by it (shares owned: 3,699,700 shares; Ownership Ratio: 18.33%) (the “Shares Agreed to Be Tendered”) in the Tender Offer. As a result, the total number of the Company Shares that Mr. Hiroshi Kaneda, Mr. Yasuichi Kaneda, and Dalton Investments have agreed to tender in the Tender Offer is 4,081,700 shares (Ownership Ratio: 20.22%). For an overview of the Tender Agreement, please refer to “(III) Tender Agreement” of “4. Matters Relating to Material Agreements Concerning the Tender Offer” below.

In the Tender Offer, the Tender Offeror has set 6,764,800 shares (Ownership Ratio: 33.52%) as the minimum number of the shares to be purchased, and if the total number of the shares, etc. tendered in the Tender Offer (the “Tendered Shares, Etc.”) is less than such minimum number of shares to be purchased (i.e., 6,764,800 shares), the Tender Offeror will not purchase any of the Tendered Shares, Etc. On the other hand, the Tender Offer aims to privatize the Company Shares, and therefore, the Tender Offeror has not set a maximum number of the shares to be purchased in the Tender Offer, and if the total number of the Tendered Shares, Etc., is equal to or greater than the minimum number of shares to be purchased (i.e., 6,764,800 shares), the Tender Offeror will purchase all of the Tendered Shares, Etc.

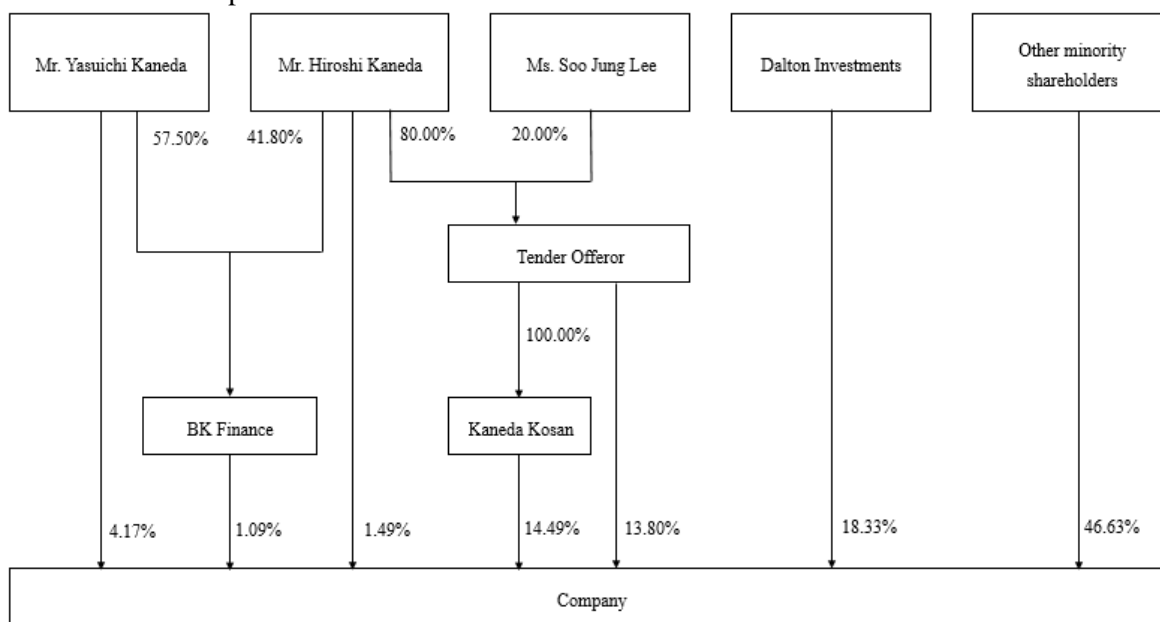
The minimum number of shares to be purchased (i.e., 6,764,800 shares) is calculated by deducting the number of voting rights (27,860 units) pertaining to the Company Shares held by the Tender Offeror as of today (i.e., 2,786,000 shares) and the number of voting rights (i.e., 39,043 units) pertaining to the Shares Agreed Not to Be Tendered (i.e., 3,904,307 shares) from the number of voting rights (i.e., 134,551 units; rounded up to the nearest whole number), which is obtained by multiplying the number of voting rights (i.e., 201,826 units) pertaining to the number of the Base Number of Shares (i.e., 20,182,637 shares) by two-thirds ($2/3$), and then multiplying the number of voting rights obtained therefrom (i.e., 67,648 units) by 100 shares, which is the number of shares constituting one share unit of the Company. The minimum number of shares to be purchased has been set to ensure that the Share Consolidation will be implemented by having the Tender Offeror and the Shareholders Agreeing Not to Tender Shares hold two-thirds ($2/3$) or more of the number of voting rights of all shareholders of the Company after the Tender Offer, given that (i) if the Tender Offeror is unable to acquire all of the Company Shares (excluding the Company Shares held by the Tender Offeror, the treasury shares held by the Company and the Shares Agreed Not to Be Tendered) despite the consummation of the Tender Offer, the Tender Offeror plans to request, after the consummation of the Tender Offer, that the Company implement the Squeeze-Out Procedures, and (ii) a special resolution of a shareholders' meeting, as provided for in Article 309, Paragraph 2 of the Companies Act, is required for conducting procedures for the Share Consolidation. In addition, the Tender Offeror has not set a minimum number of shares to be purchased by a so-called "majority of minority" in the Tender Offer, because the Tender Offeror believes that setting such minimum number may make the completion of the Tender Offer uncertain and may not contribute to the interests of minority shareholders of the Company who wish to tender their shares in the Tender Offer.

In addition, in order to avoid, to the extent possible, the case where there are shareholders of the Company, other than the Tender Offeror and the Shareholders Agreeing Not to Tender Shares, who holds equal to or greater than the smallest number of the Company Shares held by any Shareholders Agreeing Not to Tender on the effective date of the Share Consolidation to be carried out as part of the Squeeze-Out Procedures, and to enhance the stability of the Squeeze-Out Procedures, the Shareholders Agreeing Not to Tender Shares may, if requested by the Tender Offeror, execute a share lending agreement with respect to the Company Shares with any of the other Shareholders Agreeing Not to Tender Shares and borrow a portion or all of the Company Shares owned by such Shareholders Agreeing Not to Tender Shares who will be the lender (the "Share Lending Transaction") with effect before the Share Consolidation becomes effective. Specifically, such move is aimed at achieving continuous ownership of the Company Shares by each of the Shareholders Agreeing Not to Tender Shares even after the Squeeze-Out Procedures are carried out, through the following steps: (i) Mr. Yasuichi Kaneda, Kaneda Kosan and BK Finance become the lender in the Share Lending Transaction and lend all of the Company Shares they own to Mr. Hiroshi Kaneda and (ii) after the Share Consolidation becomes effective, Mr. Hiroshi Kaneda, having become the borrower in the Share Lending Transaction, unwinds the Share Lending Transaction and returns all of the Company Shares he borrowed to Mr. Yasuichi Kaneda, Kaneda Kosan and BK Finance. In a case where the Share Lending Transaction is to be carried out, in order to enable Mr. Hiroshi Kaneda as the borrower to return, after the Share Consolidation, the Company Shares having the same value as the Company Shares he borrowed, the Tender Offeror plans to ask the Company to split the Company Shares on a

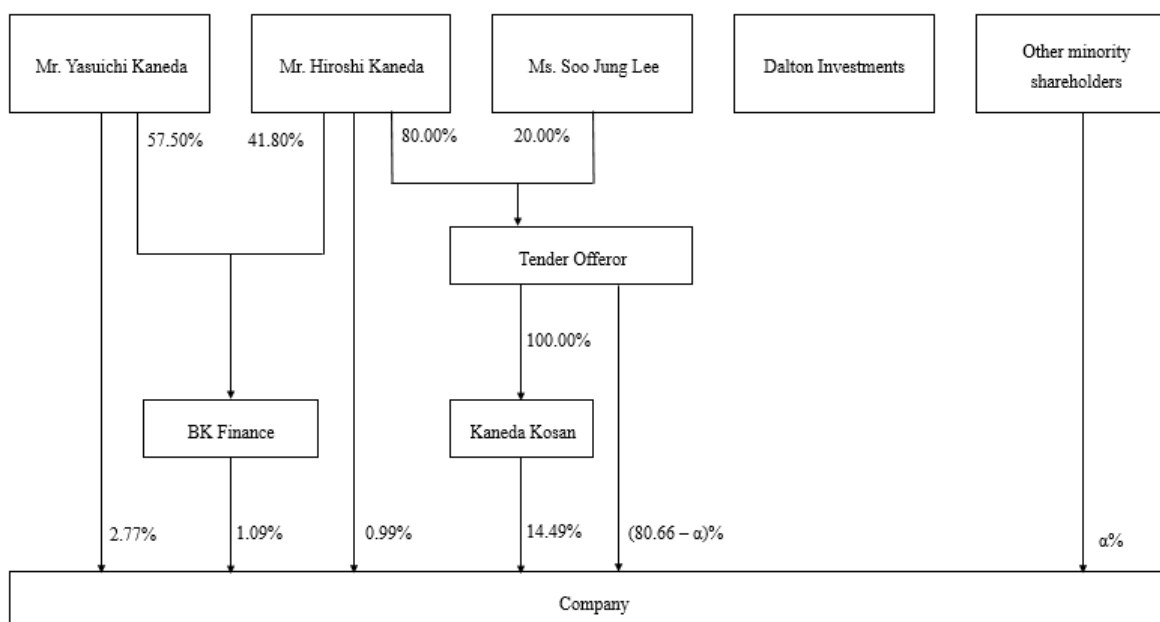
reference date and at a percentage to be separately designated by the Tender Offeror; but no details have been decided as of today. Further, although the share-lending fees and other terms and conditions have not yet been determined, they are expected to be equivalent to those that would be set in a comparable share-lending transaction between independent parties. Even if the share-lending fee is charged, as the Share Lending Transaction is expected to be carried out with a party in a formal special relationship set forth in Article 27-2, Paragraph 7, Item 1 of the Act for one year or more prior to the execution date of each share-lending agreement that sets forth the share-lending fee and other terms and conditions, it will fall under “a purchase etc. excluded from application” set forth in the proviso of Article 27-2, Paragraph 1 of the Act.

The series of transactions currently envisaged is illustrated below.

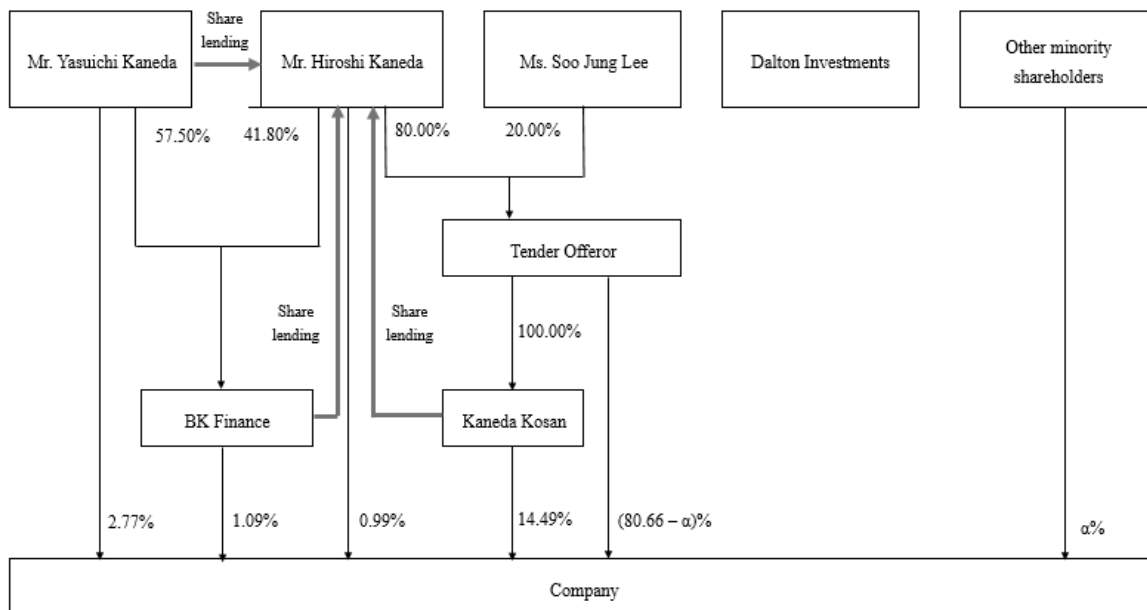
(I) Before the Implementation of the Tender Offer



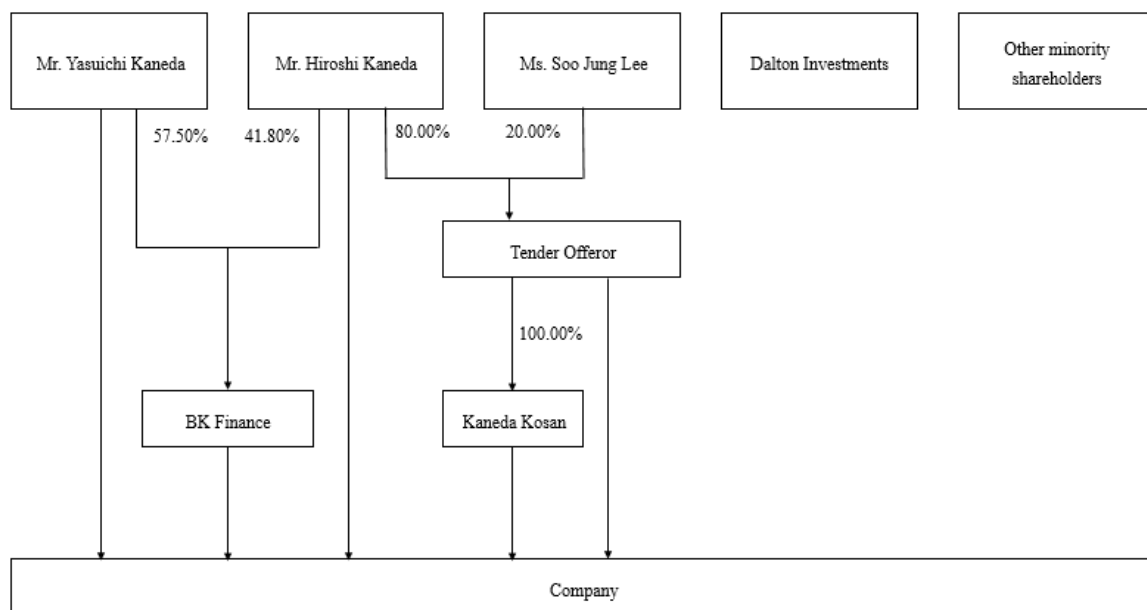
(II) After the Consummation of the Tender Offer



(III) Share Lending Transaction



(IV) After the Implementation of the Squeeze-Out Procedures



The Tender Offeror intends to finance the funds required for settlement of the Tender Offer by borrowing funds (the “Loan”) from Sumitomo Mitsui Banking Corporation (“SMBC”) and, subject to the consummation of the Tender Offer, etc., will undertake the Loan no later than the business day immediately preceding the commencement date of the settlement of the Tender Offer. The details of the financing terms pertaining to the Loan are to be set out in the loan agreement pertaining to the Loan after separate discussions with SMBC, and under the loan agreement pertaining to the Loan, the Company Shares and the like that the Tender Offeror is to acquire in the Transactions are expected to be provided as collateral.

- (ii) Background, Objectives, and Decision-Making Process Leading to the Tender Offeror’s Decision to Conduct the Tender Offer

The Company was established in August 1949 by its founders, Mr. Tadao Kaneda (great-uncle of Mr. Hiroshi Kaneda) and Mr. Yasuhiko Kaneda (grandfather of Mr. Hiroshi Kaneda), under the name Taiyo Shoji Company, Ltd. in order to engage in the manufacturing and sale of daily necessities and rubber footwear. In July 1954, aiming to specialize in the plastics industry, which was rapidly developing in Europe and the United States, the Company changed its name to Tenma Synthetic Resin Ltd. Subsequently, the Company changed its name to TENMA CORPORATION in April 1987 and was listed on the Second Section of the Tokyo Stock Exchange in August 1988 and on the First Section of the Tokyo Stock Exchange in April 1991. As of today, the Company is listed on the Prime Market of the Tokyo Stock Exchange following the restructuring of the Tokyo Stock Exchange's market divisions in April 2022.

As of today, the corporate group consisting of the Company and its 16 subsidiaries and 2 affiliated companies (the "Company Group") is principally engaged in businesses related to the manufacturing and sale of houseware synthetic resin products (storage products, kitchen utensils, cleaning products, gardening products, bath products, laundry products, etc.) and industrial synthetic resin products (OA (Note 2), electronic equipment parts, home appliance parts, automobile exterior and interior parts, housing components, various containers, media cases, etc.).

Based on its purpose, "Delivering essential life values for people," the Company Group has been improving the manufacturing business by placing the utmost importance on the feelings and emotions that it incorporates into its products and services and consideration for customers to make people's lives better. In order to continue to provide products and services with a passion to enrich people's lives, the Company Group stated in its medium-term management plan, which was announced on May 24, 2024 in the press release titled "Announcement concerning Formulation of the Fourth Medium-term Management Plan" (the "Medium-term Management Plan"), that it aims to increase enterprise value by implementing the following three main measures: (a) Promotion of various measures for "materiality" (important issues to be addressed with priority) identified by the Company, including realization of a circular economy, success of a wide variety of human resources, and creation of new value (Note 3); (b) Change in business portfolio (Note 4); and (c) Reconstruction of unprofitable business domain (Note 5) under the basic policy of "Increasing enterprise value by promoting sustainable management."

On the other hand, it is recognized that the business environment surrounding the Company Group remains uncertain overseas, with geopolitical risks increasing due to factors such as the protracted situation in Ukraine and rising tensions in the Middle East, exchange rate fluctuations driven by monetary policies in Western countries, concerns over the slowdown of the Chinese economy, and future policy trends in the United States, although personal consumption in Europe and the United States continues to be strong due to factors such as the recovery in real incomes as a result of the easing of inflationary pressures. It is also recognized that in Japan, although there is a gradual recovery trend due to factors such as improvements in the income environment and growth in inbound demand, the impact of rising resource prices and high prices on consumer spending is increasing, and the tendency for consumers to save money is further increasing. In such current business environment, sales and profit have reached levels higher than before the COVID-19 pandemic in the resin molding business, which is the Company Group's main business, and demand for injection molding (Note 6) remains solid.

On the other hand, by product category, demand is expected to increase in the automobile category and home appliance category in the field of industrial synthetic resin products, while in the OA category, which is the main business of the Company Group, market growth is expected to slow both in Japan and overseas. In the houseware (HW) category and related products, there is a low prospect for growth in domestic demand, making it necessary to develop overseas markets. By region, the Company believes that there will be an acceleration in the trend toward moving production from China to Southeast Asia, particularly in the OA category in the field of industrial synthetic resin products. As described above, the trends in each product segment of the Company Group and each region are changing rapidly, and it is recognized that it is becoming more important than ever to understand these trends accurately and to implement reviews of the allocation of manufacturing bases and the product mix at each base in an appropriate and timely manner.

- (Note 2) “OA” stands for “Office Automation”, and OA equipment is used to improve the efficiency and productivity of office work. Note that OA at the Company refers mainly to photocopiers and copiers, and does not include telephones or PCs.
- (Note 3) In the measure of “Promotion of various measures for “materiality” (important issues),” the Company Group aims to achieve sustainable business operations by reducing GHG (Green House Gas) emissions by 30% in the fiscal year ending March 2031 compared with the fiscal year ending March 2020, realizing a circular economy through recycling used resin, increasing the ratio of female managers in Japan and developing human resources in the overseas subsidiaries, increasing employee satisfaction by fostering a safe and secure working environment, keeping and strengthening the corporate governance system, and changing the production system through automation and promotion of digital transformation.
- (Note 4) In the measure of “Expansion of business portfolio,” the Company Group aims to move away from low profitability by expanding the automobile category through R&D and M&A, strengthening the home appliance category through increasing the capacity of the Thailand base, and developing new business domains in the contract-manufactured product business.
- (Note 5) In the measure of “Reconstruction of an unprofitable business domain (houseware (HW) category),” the Company Group aims to improve profitability by rebranding its core brand of household storage products “Fits”, strengthening EC sales, strengthening the overseas houseware (HW) category, and reducing fixed costs and reorganizing.
- (Note 6) “Injection molding” is a method of molding plastic in which the molding material is mixed in an injection cylinder, melted by plasticization, and then injected into a mold with a screw.

In light of this business environment, Mr. Hiroshi Kaneda believes that in order for the Company Group to always respond to the business environment and increase enterprise value in the midst of intense global competition, it is essential, as stated in the Medium-term Management Plan, to efficiently carry out proactive investment in the OA category, which is the main business of the Company Group, and the automobile and home appliance categories, which are expected to grow in the future, and the optimization of manufacturing bases, and that in order to promote bold business transformation, it is also necessary to speedily implement investment strategies such as large-scale M&As that are unprecedented.

In addition, Mr. Hiroshi Kaneda believes that it is important for the Company Group not only to implement the above strategies, but also to strengthen the organization and human resources in order to implement the above strategies with speed. However, Mr. Hiroshi Kaneda recognizes that the Company's specific organizational and human resource issues include a shortage of human resources with knowledge in new areas such as the OA, automobile, and house appliance categories, and sales personnel at overseas bases, and that the current management-centered personnel structure of the Company Group is not equipped to make major management decisions such as bold capital investments or M&A that are considered necessary for the Company Group's enterprise value. Furthermore, Mr. Hiroshi Kaneda believes that the current personnel evaluation and compensation system of the Company Group is not capable of attracting competitive human resources, and even if human resources are obtained, there is a possibility that they will not be appropriately evaluated in terms of their work results, and that there is an urgent need to improve the situation in which it is difficult to retain excellent human resources. Therefore, Mr. Hiroshi Kaneda believes that strengthening the Company's organization and human resources, which form the basis of business strategies, is an urgent task that must be carried out in parallel with the initiatives in the Medium-term Management Plan.

Mr. Hiroshi Kaneda believes that the following specific measures should be implemented to increase the enterprise value of the Company Group.

(i) Change in business portfolio

At present, in the OA category, which is the main business of the Company Group, the domestic and overseas shipment results for business machines have not grown by more than double digits since 2015, except for 2022 (Note 6), and market growth is somewhat slowing both in Japan and overseas. On the other hand, in the automobile category, demand for plastic parts is expected to increase due to trends in the automobile industry such as environmental preservation and the introduction of EVs (electric vehicles), as well as the fact that the number of vehicles produced is expected to increase from 2022 to 2029 (Note 7), and in the home appliance category, demand is expected to increase in the future, with global demand for air conditioners increasing continuously after 2020, and global demand for air conditioners in 2023 expected to be 105% of the previous year (Note 8). In light of this external environment, Mr. Hiroshi Kaneda believes that in order for the Company Group to establish new primary revenue sources and secure sufficient profits, it is essential to restructure the portfolio to enable sustainable growth by entering into EV-related parts such as motor battery parts and parts for radiator cooling pipes and robotics-related parts for which progress of adoption of resin is expected, strengthening next-generation home appliances for which demand is expected to grow, and developing overseas markets in the houseware (HW) category, while continuing to invest in the OA category, which is the main business of the Company Group.

(Note 7) Source: Japan Business Machine and Information System Industries Association (JBMA), business machine shipment results

(Note 8) Source: Fuji Chimera Research Institute, Inc., "Worldwide Electronics Market Survey 2024"

(Note 9) Source: The Japan Refrigeration and Air Conditioning Industry Association (JRAIA), "Estimated Global Air Conditioner Demand" for June 2024

(ii) Increasing production and warehousing capacity at overseas bases

The Company Group started a full-scale overseas operation in 1992 and currently engages in business in China, Vietnam, Thailand, Indonesia and North America. In the Company Group, the sales from overseas bases (76,465 million yen in the fiscal year ending March 2024) account for approximately 75% of the consolidated sales (102,052 million yen in the fiscal year ending March 2024) and continues to be an important growth driver for the Company Group. Mr. Hiroshi Kaneda believes that it is important to further accelerate overseas business by increasing production and warehousing capacity at overseas bases and building a foundation to meet overseas demand in the future. Specifically, Mr. Hiroshi Kaneda believes that it is necessary for the Company Group to invest appropriate funds in TENMA (Thailand) Co., Ltd. (a Thai subsidiary of the Company) and the Ha Long Factory of TENMA VIETNAM CO., LTD. (a Vietnam subsidiary of the Company), where the Company Group is currently strategically focusing its efforts, and to increase its production and warehousing capacity at overseas bases and expand its business.

(iii) Strengthening human resources and organizations that form the basis of growth strategies

Mr. Hiroshi Kaneda believes that in order to respond to the increasingly diverse needs of business partners and the drastically changing industry environment, it is important to build a solid management foundation that will enhance the feasibility of the Medium-term Management Plan. Specifically, Mr. Hiroshi Kaneda is considering acquiring, through an aggressive recruitment strategy, specialized personnel with expertise in the OA category, which is the main business of the Company Group, and the automobile and home appliance categories and other related industries that are expected to grow in the future, sales personnel with experience in overseas markets, and human resources with extensive knowledge and experience in overseas expansion and business development as management personnel. Mr. Hiroshi Kaneda does not intend to make any significant changes to the current management structure of the Company, and intends to have external management personnel with a certain level of knowledge and expertise participate in the management of the Company Group as personnel responsible for investments and overseas markets. After the Transactions, there will be no agreement between the Tender Offeror and other directors (including directors who are audit and supervisory committee members) of the Company, or between the Tender Offeror and any external management personnel, regarding their assumption of office or treatment after the Tender Offer. With regard to attracting new human resources, Mr. Hiroshi Kaneda is also considering reviewing the personnel and compensation systems so that it will be possible to appropriately evaluate and reward personnel with expertise and knowledge from the perspective of attracting competitive human resources and retaining excellent human resources.

Mr. Kaneda believes that, through Measures (i) and (ii), the Company will be able to build a revenue base that is capable of responding to changes in the business environment surrounding the Company Group, and through Measure (iii), the Company will be able to build an organizational structure that enhances the effectiveness and speed of its business strategy, including Measures (i) and (ii), and thereby enable the Company Group to continuously increase its enterprise value.

On the other hand, Mr. Hiroshi Kaneda believes that it is difficult for the Company to implement Measures (i) to (iii) above as a whole while bearing the personnel and economic

costs required to meet the short-term expectations and demands of the capital market and maintain its listing, and even if such measures were able to be implemented, they would likely take time, making it difficult to appropriately respond to changes in the business environment, including the competitive environment. In promoting Measures (i) to (iii) above as a whole, a large amount of upfront investment, such as capital investment in buildings and machines to increase production and warehousing capacity and investment in human resources to attract and retain competitive human resources, is expected to be made. Mr. Hiroshi Kaneda believes that, through such upfront investment, the possibility of a temporary deterioration in the Company Group's earnings and cash flow cannot be denied, and there is a risk of a significant impact on the Company Group's performance and financial condition in the short term. Mr. Hiroshi Kaneda recognizes that if the Company implements Measures (i) to (iii) above as a whole while maintaining its listing, the Company Group may not be able to gain sufficient understanding or appreciation from the capital market due to a decline in the Company Group's earnings, etc., even if temporary, and as a result, the share price of the Company Shares may decline and the value of the Company Shares may be damaged. Given the above, Mr. Hiroshi Kaneda believes that it is difficult for the Company to implement Measures (i) to (iii) above as a whole while maintaining its listing.

Although the Company has enjoyed various benefits of being a listed company, such as increased public awareness and public trust, since it became a listed company in August 1988, Mr. Hiroshi Kaneda believes that there will be no substantial disadvantages of taking the Company Shares private and that the need for the Company to remain listed and the benefits of remaining listed have relatively decreased, as the Company currently has no immediate need to raise funds through equity financing and the Company has already established brand power and credibility with various business partners through long-standing business relationships. Although, after the Transactions, it is expected that the Company may find it more difficult to garner public awareness and social credibility among general consumers compared to before the Transactions, Mr. Hiroshi Kaneda believes that the adverse effects resulting from the privatization will be limited, given the public awareness and social credibility the Company has developed since its establishment.

As a result of examining the changes in the environment surrounding the Company Group and how to respond to such changes as described above, Mr. Hiroshi Kaneda concluded that taking the Company Shares private would be the most effective way to increase the enterprise value of the Company Group, as it would enable the Company Group to boldly promote the strengthening of its business foundation from a long-term perspective without being unduly influenced by short-term share price fluctuations, while at the same time avoiding any damage to the value of the Company Shares that may be suffered by the shareholders of the Company due to a decline in the share price, and to take on the challenge of establishing itself as a "centennial company." In addition, Mr. Kaneda came to the conclusion that in order to promptly implement the above measures based on an understanding of the founding spirit and management philosophy and corporate culture that have been inherited or established since the establishment of the Company in 1949, and while maintaining relationships with the stakeholders of the Company Group, it would be most beneficial, in order to increase the enterprise value of the Company Group in the medium-to-long term, to conduct the Transactions as a so-called management buyout (MBO) rather than as a privatization transaction by a third party or by himself in cooperation with a third party, to clearly present the reform policy by himself within the Company Group

and to have the management team and employees of the Company Group work together to promote such policy.

Mr. Kaneda believes that the environment surrounding the Company Group is changing rapidly and that the earliest possible implementation of the Transactions will contribute to increasing the enterprise value of the Company Group, and therefore, on June 17, 2024, he began an initial review of the Transactions with the financial institutions with which he had been doing business.

Subsequently, in further consideration of the Transactions, the Tender Offeror appointed SMBC Nikko Securities Inc. (“SMBC Nikko Securities”) as its external financial advisor on August 28, 2024 and Nagashima Ohno & Tsunematsu as its external legal advisor on September 18, 2024, and presented a declaration of intent regarding the Transactions (the “Declaration of Intent”) to the Company on October 15, 2024, and at the same time notified the Company that the Tender Offeror wished to conduct due diligence, and was informed by the Company on October 17, 2024 that it acceded to discussions and negotiations for the implementation of the Transactions.

The Tender Offeror then conducted due diligence on the Company from October 25, 2024 until December 25, 2024. In addition, on December 3, 2024, the Tender Offeror and Mr. Hiroshi Kaneda received questions in writing from the Special Committee (as defined in “(iii) Decision-Making Process Leading to the Company’s Decision to Support the Tender Offer, and the Reasons Therefor” below; the same shall apply hereinafter) regarding matters such as the Transactions and the management policy after the Transactions, to which the Tender Offeror and Mr. Hiroshi Kaneda sent a written response on December 12, 2024, and at a meeting of the Special Committee on December 16, 2024, the Tender Offeror and Mr. Hiroshi Kaneda made explanations regarding matters such as the background and reasons for proposing the Transactions, the objectives of the Transactions, their evaluation of the Company’s business, the terms and conditions of the Transactions, and the management policy after the Transactions and a question and answer session was held regarding those matters. In addition, the Tender Offeror received additional questions in writing from the Special Committee on December 25, 2024 regarding measures to enhance corporate value through the Transactions and sent a written response on January 31, 2025.

After that, based on the business plan for the five fiscal years from the fiscal year ending March 2025 to the fiscal year ending March 2029 (the “Business Plan”) and other information provided by the Company, comprehensively taking into account matters such as the trends in the market value of the Company Shares and the results of due diligence, and based on assumptions such as that the Company will not pay year-end dividends for the fiscal year ending March 2025 or provide shareholder benefits, on February 6, 2025, the Tender Offeror submitted an initial written proposal to the Company and the Special Committee to set the price per Company Share for purchase, etc. in the Tender Offer (the “Tender Offer Price”) at 3,100 yen per share (which includes a premium of 17.25% (rounded to two decimal places; the same shall apply hereinafter in regard to the calculation of premiums) on 2,644 yen, the closing price of the Company Shares on February 5, 2025, the business day immediately preceding the date of the proposal, a premium of 11.75% on 2,774 yen, the simple average closing price for the one-month period up to that date (rounded to the nearest whole yen; the same shall apply hereinafter in regard to the calculation of simple average closing prices), a premium of 6.49% on 2,911 yen, the simple average closing price for the

three-month period up to that date, and a premium of 10.75% on 2,799 yen, the simple average closing price for the six-month period up to that date).

In response, on February 7, 2025, the Tender Offeror and Mr. Hiroshi Kaneda received a response from the Company and the Special Committee requesting prompt reconsideration and radical revision of the price on the ground that the proposed price was not nearly at a level that could be considered to give consideration to the interests of the Company's general shareholders, and on February 12, 2025, the Tender Offeror and Mr. Hiroshi Kaneda sent a second written proposal to the Company and the Special Committee to set the Tender Offer Price at 3,200 yen per share (which includes a premium of 23.70% on 2,587 yen, the closing price of the Company Shares on February 10, 2025, the business day immediately preceding the date of the proposal, a premium of 16.49% on 2,747 yen, the simple average closing price for the one-month period up to that date, a premium of 10.46% on 2,897 yen, the simple average closing price for the three-month period up to that date, and a premium of 14.04% on 2,806 yen, the simple average closing price for the six-month period up to that date).

In response, on February 13, 2025, the Tender Offeror and Mr. Hiroshi Kaneda were requested by the Company and the Special Committee to radically revise the price as the level of premiums included in the proposed price was still not nearly at a level that could be considered to give consideration to the interests of the Company's general shareholders. Following that, on February 20, 2025, the Company and the Special Committee received a third written proposal from the Tender Offeror and Mr. Hiroshi Kaneda to set the Tender Offer Price at 3,380 yen per share (which includes a premium of 26.45% on 2,673 yen, the closing price of the Company Shares on February 19, 2025, the business day immediately preceding the date of the proposal, a premium of 24.36% on 2,718 yen, the simple average closing price for the one-month period up to that date, a premium of 18.26% on 2,858 yen, the simple average closing price for the three-month period up to that date, and a premium of 20.46% on 2,806 yen, the simple average closing price for the six-month period up to that date).

In response, on February 21, 2025, the Tender Offeror and Mr. Hiroshi Kaneda were requested by the Company and the Special Committee to radically revise the price as the proposed price was still not nearly at a level that could be considered to give consideration to the interests of the Company's general shareholders, taking into account matters such as the results of the preliminary calculation of the Company's share value by Plutus Consulting Co., Ltd. ("Plutus Consulting"), the Company's third-party valuation institution, based on the Business Plan of the Company and the fact that it was extremely difficult to consider the proposed price to be reasonable in comparison to the levels of premiums in similar transactions in the past. In addition, the Company and the Special Committee stated that depending on the level of the price subsequently proposed by the Tender Offeror, the Company and the Special Committee may request the Tender Offeror to set an MoM Condition in consideration of the interests of the Company's general shareholders and in order to ensure the fairness of the Transactions. Following that, on February 26, 2025, the Tender Offeror and Mr. Hiroshi Kaneda submitted a fourth written proposal to the Company and the Special Committee to set the Tender Offer Price at 3,480 yen per share (which includes a premium of 31.32% on 2,650 yen, the closing price of the Company Shares on February 25, 2025, the business day immediately preceding the date of the proposal, a premium of 28.98% on 2,698 yen, the simple average closing price for the one-month period up to that date, a premium of 22.66% on 2,837 yen, the simple average closing price for the

three-month period up to that date, and a premium of 23.98% on 2,807 yen, the simple average closing price for the six-month period up to that date).

In response, on February 27, 2025, the Tender Offeror and Mr. Hiroshi Kaneda were requested by the Company and the Special Committee to promptly reconsider on further raising of the Tender Offer Price as the proposed price was still not at a level that could be considered to give consideration to the interests of the Company's general shareholders, taking into account matters such as the results of the preliminary calculations of the Company's share value by Plutus Consulting, the Company's third-party valuation institution, and AGS FAS, the Special Committee's third-party valuation institution, based on the Business Plan of the Company and the fact that it was still difficult to consider the level of premiums on the Company's current share value and its share value over certain past terms included in the proposed price to be reasonable in comparison to the levels of premiums on the share values for each reference term in similar transactions in the past (the Special Committee referred to the levels of premiums on the closing price on the day immediately preceding the announcement date and the simple average closing prices for the preceding one-month, three-month, and six-month periods in MBO transactions consummated after the publication of the "Fair M&A Guidelines" in June 2019 in which the tender offer price was below a PBR of 1 (however, excluding transactions in which the Company was insolvent and tender offers in which the price represents a discount on share value); hereinafter the same shall apply to the levels of premiums on the share values for each reference term in similar transactions in the past.). In addition, the Tender Offeror and Mr. Hiroshi Kaneda were requested by the Company and the Special Committee requested by the Company and the Special Committee to set an MoM Condition that excludes the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, and Dalton Investments from the minority in the denominator and numerator. Following that, on March 5, 2025, the Tender Offeror and Mr. Hiroshi Kaneda submitted a fifth written proposal to the Company and the Special Committee received to set the Tender Offer Price at 3,520 yen per share (which includes a premium of 35.28% on 2,602 yen, the closing price of the Company Shares on March 4, 2025, the business day immediately preceding the date of the proposal, a premium of 33.74% on 2,632 yen, the simple average closing price for the one-month period up to that date, a premium of 25.80% on 2,798 yen, the simple average closing price for the three-month period up to that date, and a premium of 25.36% on 2,808 yen, the simple average closing price for the six-month period up to that date). In addition, in the same price proposal, the Tender Offeror and Mr. Hiroshi Kaneda responded that they did not plan to set an MoM Condition in the Tender Offer, considering that (a) although the minimum number of shares to be purchased in the Tender Offer (6,764,800 shares) did not meet the level of an MoM Condition, it was close to the level of an MoM Condition (if Dalton Investments was included in the minority in the denominator and numerator), and such level was sufficient to confirm the intentions of minority shareholders who did not have a stake in the Company, (b) although the Tender Offeror planned to enter into the Tender Agreement with Dalton Investments, Dalton Investments was an independent investor that did not have a stake in the Tender Offeror, and by tendering in the Tender Offer, it planned to recover its investment in the Company and would not be involved with the Company or the Tender Offeror thereafter, and given that the execution of the Tender Agreement with the Tender Offeror was based on sincere consultation and negotiation between independent parties, it was not in a different interest from other general shareholders, and it was appropriate to treat it as "a

shareholder of the Company who does not share a material interest with the Tender Offeror” and (c) the Tender Offeror believed that the Tender Offer Price proposed (3,520 yen) is a price that takes into account the interests of minority shareholders of the Company who did not have an interest in the Company, and the setting of an MoM condition could make the completion of the Tender Offer unstable and could result in the loss of opportunities for the sale of shares by the Company’s minority shareholders who wished to tender their shares, which could be detrimental to the interests of the Company’s minority shareholders.

In response, on March 6, 2025, the Tender Offeror and Mr. Hiroshi Kaneda were requested by the Company and the Special Committee to promptly reconsider on further raising the Tender Offer Price as the Company and the Special Committee believed that the increase of the Tender Offer Price to a level that could be considered to give consideration to the interests of the Company’s general shareholders was necessary, considering that, (i) taking into account the results of the preliminary calculations of the Company’s share value by Plutus Consulting, the Company’s third-party valuation institution, and AGS FAS, the Special Committee’s third-party valuation institution, based on the Business Plan of the Company, although the proposed price exceeded the lower limits of those calculations, it was still difficult to consider the level of premiums on the Company’s current share value and its share value over certain past terms included in the proposed price to be reasonable in comparison to the levels of premiums on the share values for each reference term in similar transactions in the past and (ii) the Tender Offeror and Mr. Hiroshi Kaneda stated in the proposal that they did not plan to set an MoM Condition. In addition, the Tender Offeror and Mr. Hiroshi Kaneda were again requested by the Company and the Special Committee to set an MoM Condition. Following that, on March 10, 2025, the Tender Offeror and Mr. Hiroshi Kaneda submitted a sixth written proposal to the Company and the Special Committee to set the Tender Offer Price at 3,550 yen per share (which includes a premium of 31.68% on 2,696 yen, the closing price of the Company Shares on March 7, 2025, the business day immediately preceding the date of the proposal, a premium of 34.78% on 2,634 yen, the simple average closing price for the one-month period up to that date, a premium of 27.47% on 2,785 yen, the simple average closing price for the three-month period up to that date, and a premium of 26.38% on 2,809 yen, the simple average closing price for the six-month period up to that date) and to state that the Tender Offeror believed that it was not necessary to set an MoM Condition for the above reason.

In response, on March 11, 2025, the Tender Offeror and Mr. Hiroshi Kaneda received a response from the Company and the Special Committee to the effect that, taking into account the results of the preliminary calculations of the Company’s share value by Plutus Consulting, the Company’s third-party valuation institution, and AGS FAS, the Special Committee’s third-party valuation institution, based on the Business Plan of the Company, although the proposed price could be considered to be of a certain level, the Company and the Special Committee believed that the level of premiums on the Company’s current share value and its share value over certain past terms included in the proposed price still could not be considered sufficient in comparison to the levels of premiums on the share values for each reference term in similar transactions in the past, however, after the Company and the Special Committee’s sincere consideration to present a specific price in light of the fact that the time was running out for the announcement date of the Transactions which the Tender Offeror desired, if the Tender Offer Price is set at 3,650 yen or more per share, that would be a level at which the Special Committee could resolve to state in its report that it advises the

Company's board of directors to pass a resolution supporting the Tender Offer and recommending that the Company's shareholders tender their shares in the Tender Offer, and the Special Committee would consent to no MoM Condition being set. Following that, on March 12, 2025, the Tender Offeror and Mr. Hiroshi Kaneda submitted a seventh written proposal to the Company and the Special Committee to set the Tender Offer Price at 3,580 yen per share (which includes a premium of 34.59% on 2,660 yen, the closing price of the Company Shares on March 11, 2025, the business day immediately preceding the date of the proposal, a premium of 35.55% on 2,641 yen, the simple average closing price for the one-month period up to that date, a premium of 29.29% on 2,769 yen, the simple average closing price for the three-month period up to that date, and a premium of 27.22% on 2,814 yen, the simple average closing price for the six-month period up to that date) as their final proposal and to state that the above proposal was a final proposal and the Tender Offeror believed that it was not necessary to set an MoM Condition for the above reason.

In response, on March 13, 2025, the Tender Offeror and Mr. Hiroshi Kaneda were requested by the Company and the Special Committee to promptly reconsider on further raising the Tender Offer Price, since, while the Company and the Special Committee believed that the level of premiums on the Company's current share value and its share value over certain past terms included in the proposed price still could not necessarily be considered sufficient in comparison to the levels of premiums on the share values for each reference term in similar past transactions, if the Tender Offer Price is set at a level closer to 3,650 yen or more per share, the Special Committee will be able to consider resolving to state in its report that it advises the Company's board of directors to pass a resolution supporting the Tender Offer and recommending that the Company's shareholders tender their shares in the Tender Offer, and it will be possible to consider not setting an MoM Condition. Following that, on March 13, 2025, the Tender Offeror and Mr. Hiroshi Kaneda sent a written response to the Company and the Special Committee, stating that (i) the final proposal set forth in the seventh written proposal dated March 11, 2025, which set the Tender Offer Price at 3,580 yen per share, had been presented with maximum consideration for the Company's general shareholders and even in light of the Company's response to this price proposal, there would be no change in such a position, (ii) the Tender Offeror and Mr. Hiroshi Kaneda were not considering making a proposal with a Tender Offer Price exceeding 3,580 yen per share as presented in the seventh written proposal and (iii) the Tender Offeror and Mr. Hiroshi Kaneda still believed that it was not necessary to set an MoM Condition.

In response, on March 13, 2025, the Tender Offeror and Mr. Hiroshi Kaneda received a response from the Company and the Special Committee to the effect that (i) the Tender Offer Price of 3,580 yen per share could be found to have a certain degree of reasonableness, taking into account factors such as the process of negotiations up to that point, and based on the assumption that the Tender Offer would be commenced at the Tender Offer Price, the Special Committee intended to resolve to state in its report that it advises the Company's board of directors to pass a resolution supporting the Tender Offer and recommending that the Company's shareholders tender their shares in the Tender Offer, and (ii) it would consent to not setting an MoM Condition. In light of this response, on March 14, 2025, the Tender Offeror decided to implement the Tender Offer as part of the Transactions, setting the Tender Offer Price at 3,580 yen per share.

- (iii) Decision-Making Process Leading to the Company's Decision to Support the Tender

Offer, and the Reasons Therefor

(A) Process of Establishing Framework for Consideration

As stated in “(ii) Background, Objectives, and Decision-Making Process Leading to the Tender Offeror’s Decision to Conduct the Tender Offer” above, the Company began its specific consideration of the Transactions due to receiving the Declaration of Intent from the Tender Offeror on October 15, 2024. As stated in “(6) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” below, in order to ensure the fairness of the Tender Offer Price and the fairness of the Transactions, including the Tender Offer, when considering the Transactions, the Company appointed Mori Hamada & Matsumoto (currently Mori Hamada & Matsumoto Foreign Law Joint Enterprise; hereinafter, “Mori Hamada”) as its legal advisor independent of the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, and the Company and appointed Resona Research Institute Co., Ltd. (hereinafter, “Resona Research Institute”) as its financial advisor independent of the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, and the Company at a meeting of the Company’s board of directors on October 17, 2024, and it appointed Plutus Consulting as its third-party valuation institution independent of the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, and the Company at a meeting of the Company’s board of directors on November 8, 2024.

In addition, as stated in “(6) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” below, taking into consideration the facts that the Transactions will be conducted as a management buyout (MBO) and that there are structural conflicts of interest, in order to address the issues of structural conflicts of interest and information asymmetry in the Transactions, remove any arbitrariness from the decision-making process of the Company’s board of directors, and ensure the fairness, transparency, and objectivity of the Transactions, based on legal advice from Mori Hamada, the Company resolved at a meeting of its board of directors on October 17, 2024 to establish a special committee (hereinafter, the “Special Committee”) composed of members independent from the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, and the Company, and the Company thereby established a framework for considering the Transactions. For the composition of the Special Committee, the process of its establishment, the process of its consideration, and the details of its judgment, refer to “(v) Establishment of an Independent Special Committee and Procurement of a Report from such Special Committee by the Company” under “(6) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” below.

Following that, as stated in “(6) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” below, at a meeting of the Special Committee on November 5, 2024, the Special Committee confirmed that there were no issues in regard to the independence or expertise of Mori Hamada, the Company’s legal advisor, and Resona Research Institute, the Company’s financial advisor, and

approved their appointments as such, and as stated in “(b) Background of the Consideration” under “(v) Establishment of an Independent Special Committee and Procurement of a Report from such Special Committee by the Company” in “(6) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” below, at a meeting of the Special Committee on November 19, 2024, the Special Committee confirmed that there were no issues in regard to the independence or expertise of Plutus Consulting, the Company’s third-party valuation institution, and approved its appointment as such. In addition, since receiving the Declaration of Intent on October 15, 2024 from the Tender Offeror, the Company has internally established a framework for considering, negotiating, and making judgments regarding the Transactions (including the scope of the Company’s officers and employees involved in considering, negotiating, and making judgments regarding the Transactions and the duties thereof) from a position independent of the Tender Offeror and the Shareholders Agreeing Not to Tender Shares, and at a meeting of the Special Committee on November 5, 2024, the Special Committee gave its approval regarding there being no issues in regard to the independence or fairness of that framework.

In addition, as stated in “(b) Background of the Consideration” under “(v) Establishment of an Independent Special Committee and Procurement of a Report from such Special Committee by the Company” in “(6) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” below, on February 13, 2025, the Special Committee appointed AGS FAS as its own third-party valuation institution after confirming that there were no issues in regard to the independence of AGS FAS from the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, and the Company or its expertise. As stated in “(b) Background of the Consideration” under “(v) Establishment of an Independent Special Committee and Procurement of a Report from such Special Committee by the Company” in “(6) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” below, taking into consideration the status of negotiations regarding the Tendering Agreement between the Tender Offeror and Dalton Investments, at a meeting of the Special Committee on February 27, 2025, the Special Committee confirmed that there were no issues in regard to the independence of the members of the Special Committee, Mori Hamada, the legal advisor of the Company, Resona Research Institute, the financial advisor of the Company, and AGS FAS, the Special Committee’s own third-party valuation institution, from Dalton Investments, and at a meeting of the Special Committee on March 6, 2025, the Special Committee confirmed that there were no issues in regard to the independence of the Company’s internal framework for consideration and the independence of Plutus Consulting, the Company’s third-party valuation institution, from Dalton Investments.

(B) Process of Consideration and Negotiations

Under the above framework, taking into consideration factors such as the Company’s management environment and the status of its business, the

Company engaged in continual discussions and negotiations with the Tender Offeror and carefully considered whether the Transactions should be conducted and the appropriateness of the terms and conditions of the Transactions, including the Tender Offer Price, based on negotiation policies confirmed in advance by the Special Committee and the opinions, instructions, and requests of the Special Committee and while receiving advice from Mori Hamada, Resona Research Institute, and Plutus Consulting when appropriate. Specifically, since receiving the Declaration of Intent on October 15, 2024, the Special Committee progressed with its consideration and discussions, and on December 3, 2024, it sent questions in writing to the Tender Offeror and Mr. Hiroshi Kaneda regarding matters such as the Transactions and the management policy after the Transactions, to which it received a written response on December 12, 2024, and at a meeting of the Special Committee on December 16, 2024, the Special Committee received explanations from the Tender Offeror and Mr. Hiroshi Kaneda regarding matters such as the background and reasons for proposing the Transactions, the objectives of the Transactions, their evaluation of the Company's business, the terms and conditions of the Transactions, and the management policy after the Transactions and asked questions regarding those matters. In addition, the Special Committee sent additional questions in writing on December 25, 2024 regarding measures to enhance corporate value through the Transactions and received a written response from the Tender Offeror and Mr. Hiroshi Kaneda on January 31, 2025. Furthermore, the Special Committee sent questions in writing regarding the Transactions to the Company on December 25, 2024, to which it received a written response on February 4, 2025, and at a meeting of the Special Committee on February 7, 2025, the Special Committee received explanations from the Company regarding matters such as the background to receiving the proposal regarding the Transactions, the objectives of the Transactions, its business environment, the Business Plan, and management issues and asked questions regarding those matters.

In addition, at a meeting of the Special Committee on November 19, 2024, the Special Committee confirmed that the Business Plan to be presented to the Tender Offeror was prepared by persons independent of the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, and parties with interests in the Tender Offeror or the Shareholders Agreeing Not to Tender Shares, received explanations regarding matters such as the details of the Business Plan, the significant conditions on which it was based, and the process of its preparation, confirmed the reasonableness of those matters, and approved the Business Plan.

In regard to the Tender Offer Price, based on the Business Plan and other information provided by the Company, comprehensively taking into account matters such as the trends in the Company's market value and the results of due diligence, and based on assumptions such as that the Company will not pay year-end dividends for the fiscal year ending March 2025 or provide shareholder benefits, on February 6, 2025, the Company received an initial written proposal from the Tender Offeror and Mr. Hiroshi Kaneda to set the Tender Offer Price at 3,100 yen per share (which includes a premium of 17.25% (rounded to two decimal places; the same shall apply hereinafter in regard to the calculation of

premiums) on 2,644 yen, the closing price of the Company Shares on February 5, 2025, the business day immediately preceding the date of the proposal, a premium of 11.75% on 2,774 yen, the simple average closing price for the one-month period up to that date (rounded to the nearest whole yen; the same shall apply hereinafter in regard to the calculation of simple average closing prices), a premium of 6.49% on 2,911 yen, the simple average closing price for the three-month period up to that date, and a premium of 10.75% on 2,799 yen, the simple average closing price for the six-month period up to that date).

In response, on February 7, 2025, the Company and the Special Committee requested the Tender Offeror and Mr. Hiroshi Kaneda to promptly reconsider and radically revise the price as the proposed price was not nearly at a level that could be considered to give consideration to the interests of the Company's general shareholders. Following that, on February 12, 2025, the Company and the Special Committee received a second written proposal from the Tender Offeror and Mr. Hiroshi Kaneda to set the Tender Offer Price at 3,200 yen per share (which includes a premium of 23.70% on 2,587 yen, the closing price of the Company Shares on February 10, 2025, the business day immediately preceding the date of the proposal, a premium of 16.49% on 2,747 yen, the simple average closing price for the one-month period up to that date, a premium of 10.46% on 2,897 yen, the simple average closing price for the three-month period up to that date, and a premium of 14.04% on 2,806 yen, the simple average closing price for the six-month period up to that date).

In response, on February 13, 2025, the Company and the Special Committee requested the Tender Offeror and Mr. Hiroshi Kaneda to radically revise the price as the level of premiums included in the proposed price was still not nearly at a level that could be considered to give consideration to the interests of the Company's general shareholders. Following that, on February 20, 2025, the Company and the Special Committee received a third written proposal from the Tender Offeror and Mr. Hiroshi Kaneda to set the Tender Offer Price at 3,380 yen per share (which includes a premium of 26.45% on 2,673 yen, the closing price of the Company Shares on February 19, 2025, the business day immediately preceding the date of the proposal, a premium of 24.36% on 2,718 yen, the simple average closing price for the one-month period up to that date, a premium of 18.26% on 2,858 yen, the simple average closing price for the three-month period up to that date, and a premium of 20.46% on 2,806 yen, the simple average closing price for the six-month period up to that date).

In response, on February 21, 2025, the Company and the Special Committee requested the Tender Offeror and Mr. Hiroshi Kaneda to radically revise the price as the proposed price was still not nearly at a level that could be considered to give consideration to the interests of the Company's general shareholders, taking into account matters such as the results of the preliminary calculation of the Company's share value by Plutus Consulting, the Company's third-party valuation institution, based on the Business Plan of the Company and the fact that it was extremely difficult to consider the proposed price to be reasonable in comparison to the levels of premiums in similar transactions in the past. In addition, in response to the Tender Offeror not intending to set an MoM Condition, the Company and the Special Committee stated that depending on the

level of the price subsequently proposed by the Tender Offeror, the Company and the Special Committee may request the Tender Offeror to set an MoM Condition that excludes the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, and Dalton Investments from the minority in the denominator and numerator in consideration of the interests of the Company's general shareholders and in order to ensure the fairness of the Transactions. Following that, on February 26, 2025, the Company and the Special Committee received a fourth written proposal from the Tender Offeror and Mr. Hiroshi Kaneda to set the Tender Offer Price at 3,480 yen per share (which includes a premium of 31.32% on 2,650 yen, the closing price of the Company Shares on February 25, 2025, the business day immediately preceding the date of the proposal, a premium of 28.98% on 2,698 yen, the simple average closing price for the one-month period up to that date, a premium of 22.66% on 2,837 yen, the simple average closing price for the three-month period up to that date, and a premium of 23.98% on 2,807 yen, the simple average closing price for the six-month period up to that date).

In response, on February 27, 2025, the Company and the Special Committee requested the Tender Offeror and Mr. Hiroshi Kaneda to further raise the Tender Offer Price as the proposed price was still not at a level that could be considered to give consideration to the interests of the Company's general shareholders, taking into account matters such as the results of the preliminary calculations of the Company's share value by Plutus Consulting, the Company's third-party valuation institution, and AGS FAS, the Special Committee's third-party valuation institution, based on the Business Plan of the Company and the fact that it was still difficult to consider the level of premiums on the Company's current share value and its share value over certain past terms included in the proposed price to be reasonable in comparison to the levels of premiums on the share values for each reference term in similar transactions in the past. In addition, the Company and the Special Committee again requested the Tender Offeror and Mr. Hiroshi Kaneda to set an MoM Condition that excludes the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, and Dalton Investments from the minority in the denominator and numerator and informed the Tender Offeror and Mr. Hiroshi Kaneda that if they do not set an MoM Condition, the Special Committee believes it will be necessary to more carefully verify whether or not the Tender Offer Price is appropriate from the perspective of the interests of the Company's general shareholders. Following that, on March 5, 2025, the Company and the Special Committee received a fifth written proposal from the Tender Offeror and Mr. Hiroshi Kaneda to set the Tender Offer Price at 3,520 yen per share (which includes a premium of 35.28% on 2,602 yen, the closing price of the Company Shares on March 4, 2025, the business day immediately preceding the date of the proposal, a premium of 33.74% on 2,632 yen, the simple average closing price for the one-month period up to that date, a premium of 25.80% on 2,798 yen, the simple average closing price for the three-month period up to that date, and a premium of 25.36% on 2,808 yen, the simple average closing price for the six-month period up to that date).

In response, on March 6, 2025, the Company and the Special Committee requested the Tender Offeror and Mr. Hiroshi Kaneda to further raise the Tender

Offer Price as, taking into account the results of the preliminary calculations of the Company's share value by Plutus Consulting, the Company's third-party valuation institution, and AGS FAS, the Special Committee's third-party valuation institution, based on the Business Plan of the Company, although the proposed price exceeded the lower limits of those calculations, it was still difficult to consider the level of premiums on the Company's current share value and its share value over certain past terms included in the proposed price to be reasonable in comparison to the levels of premiums on the share values for each reference term in similar transactions in the past. In addition, the Company and the Special Committee again requested the Tender Offeror and Mr. Hiroshi Kaneda to set an MoM Condition and informed the Tender Offeror and Mr. Hiroshi Kaneda that if they do not set an MoM Condition, the Special Committee believes it will be necessary to more carefully verify whether or not the Tender Offer Price is appropriate from the perspective of the interests of the Company's minority shareholders. Following that, on March 10, 2025, the Company and the Special Committee received a sixth written proposal from the Tender Offeror and Mr. Hiroshi Kaneda to set the Tender Offer Price at 3,550 yen per share (which includes a premium of 31.68% on 2,696 yen, the closing price of the Company Shares on March 7, 2025, the business day immediately preceding the date of the proposal, a premium of 34.78% on 2,634 yen, the simple average closing price for the one-month period up to that date, a premium of 27.47% on 2,785 yen, the simple average closing price for the three-month period up to that date, and a premium of 26.38% on 2,809 yen, the simple average closing price for the six-month period up to that date).

In response, on March 11, 2025, the Company and the Special Committee made a proposal to the Tender Offeror and Mr. Hiroshi Kaneda that if the Tender Offer Price is set at 3,650 yen or more per share, that would be a level at which the Special Committee could resolve to state in its report that it advises the Company's board of directors to pass a resolution supporting the Tender Offer and recommending that the Company's shareholders tender their shares in the Tender Offer, and the Special Committee would consent to no MoM Condition being set, based on the reasons that taking into account the results of the preliminary calculations of the Company's share value by Plutus Consulting, the Company's third-party valuation institution, and AGS FAS, the Special Committee's third-party valuation institution, based on the Business Plan of the Company, although the proposed price could be considered to be of a certain level, the level of premiums on the Company's current share value and its share value over certain past terms included in the proposed price could not be considered sufficient in comparison to the levels of premiums on the share values for each reference term in similar transactions in the past. Following that, on March 12, 2025, the Company and the Special Committee received a seventh written proposal from the Tender Offeror and Mr. Hiroshi Kaneda to set the Tender Offer Price at 3,580 yen per share (which includes a premium of 34.59% on 2,660 yen, the closing price of the Company Shares on March 11, 2025, the business day immediately preceding the date of the proposal, a premium of 35.55% on 2,641 yen, the simple average closing price for the one-month period up to that date, a premium of 29.29% on 2,769 yen, the simple average closing

price for the three-month period up to that date, and a premium of 27.22% on 2,814 yen, the simple average closing price for the six-month period up to that date) as their final proposal.

In response, on March 13, 2025, the Company and the Special Committee informed the Tender Offeror and Mr. Hiroshi Kaneda that the level of premiums on the Company's current share value and its share value over certain past terms included in the proposed price could not necessarily be considered sufficient in comparison to the levels of premiums on the share values for each reference term in similar transactions in the past, and they proposed that if the Tender Offer Price is set near 3,650 yen or more per share, the Special Committee will be able to consider resolving to state in its report that it advises the Company's board of directors to pass a resolution supporting the Tender Offer and recommending that the Company's shareholders tender their shares in the Tender Offer, and it will be possible to consider not setting an MoM Condition. Following that, on March 13, 2025, the Company and the Special Committee received a written response from the Tender Offeror and Mr. Hiroshi Kaneda stating that the price in the proposal to set the Tender Offer Price at 3,580 yen per share gave maximum consideration to the Company's general shareholders and could not be changed.

In response, on March 13, 2025, the Company and the Special Committee concluded that the proposed price could be found to have a certain degree of reasonableness taking into account factors such as the process of negotiations up to that point, and they responded to the Tender Offeror and Mr. Hiroshi Kaneda that, based on the assumption that the Tender Offer would be commenced at the Tender Offer Price, the Special Committee intended to resolve to state in its report that it advises the Company's board of directors to pass a resolution supporting the Tender Offer and recommending that the Company's shareholders tender their shares in the Tender Offer and that it would consent to not setting an MoM Condition.

Following that, the Company received a report today from the Special Committee (hereinafter, the "Report"). (For a summary of the Report, refer to "(v) Establishment of an Independent Special Committee and Procurement of a Report from such Special Committee by the Company" under "(6) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" below.)

(C) Details of the Decision

Following the above process, at a meeting of the Company's board of directors held today, the Company conducted careful discussions and consideration from perspective such as whether or not the Transactions, including the Tender Offer, will contribute to enhancing the corporate value of the Company and whether or not the terms and conditions of the Transactions, including the Tender Offer Price, are appropriate while taking into account legal advice received from Mori Hamada, financial advice received from Resona Research Institute, the Company's financial advisor, and Plutus Consulting, and the Share Valuation Report (Plutus Consulting) and the Fairness Opinion (the Share Valuation Report

(Plutus Consulting) and the Fairness Opinion are defined in “(a) Name of Valuation Institution; Relationship of Valuation Institution to the Company and the Tender Offeror” under “(i) Procurement by the Company of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Institution” in “(3) Matters Relating to Calculation” below; the same shall apply hereinafter) obtained on March 13, 2025 and while respecting to the maximum extent the judgment of the Special Committee stated in the Report.

As stated in “(ii) Background, Objectives, and Decision-Making Process Leading to the Tender Offeror’s Decision to Conduct the Tender Offer” under “(2) Grounds and Reasons for Opinions on the Tender Offer” above, in regard to the business environment surrounding the Company Group, in the overseas market, the Company anticipates uncertain circumstances due to factors such as increased geopolitical risks, fluctuations in exchange rates caused by the financial policies of countries in Europe and North America, concerns regarding China’s economic slowdown, and future trends in U.S. policies, while in the Japanese market, there are concerns regarding high material prices and a decline in individual consumption due to the high price of goods.

Even amid this business environment, it is anticipated that among the Company’s business areas, demand will increase in the automotive and electrical appliance areas in Southeast Asia, and therefore the Company believes that it will be necessary to make active investments such as acquiring new transaction partners and increasing production capacity, mainly overseas. Meanwhile, in the office automation area, which constitutes 50% or more of the Company Group’s total sales, the relocation of the production plants of the Company Group’s major transaction partners from China to Southeast Asia is accelerating, and the Company believes it will be necessary to take measures to respond to that shift of production plants. In addition, in regard to the housewares area and related products, it is anticipated that it will not be possible to expect significant growth in the Japanese market under the existing category strategy that, among the Company’s synthetic resin houseware products, specializes in manufacturing and selling storage products. In order to improve the condition of its housewares area, the Company recognizes that it will be important to implement radical growth strategies by developing new categories in the Japanese market using the synthetic resin manufacturing technologies possessed by the Company and by developing new sales channels for synthetic resin houseware products through overseas markets and e-commerce as well as other means.

Amid the business environment and based on the recognition of issues stated above, as stated in the Medium-term Management Plan, the Company Group plans to make active investments in the automotive and electrical appliance areas and to review unprofitable businesses and manufacturing plants while continually investing in the office automation area, which is the Company Group’s main business. However, in order to implement those plans, the biggest issue pertains to the lack of a foundational organizational structure and a lack of essential human resources. For example, the Company Group recognizes issues such as a lack of human resources with knowledge of new domains in the office automation area, automotive and electrical appliance areas, and other areas and

the need to retain essential human resources in marketing and other areas. The Company Group's management in particular does not necessarily possess sufficient knowledge and experience relating to major management decisions such as extensive capital investment or business withdrawals, and there is a lack of human resources who can supplement that knowledge and experience. Therefore, the Company Group recognizes that at the same time as implementing measures under the Medium-term Management Plan, making fundamental reforms to its management structure as a foundation for its business strategies is an urgent issue. Meanwhile, in order to resolve the above issues, the Company Group believes it will be necessary to take measures such as increasing compensation in order to acquire more highly-skilled human resources from outside the Company and to increase the retention and motivation of the Company's officers and employees, but implementing those measures may result in a decline in performance over the short term, and the Company Group believes it is difficult to promptly implement those measures while maintaining the listing of the Company Shares. In addition, in order to maintain the housewares area in Japan, it is necessary to develop new products to drastically improve profitability, but due to the nature of business in the process industry, developing and selling new products requires a large amount of investment in advance, such as investments in new molds and capital investments, and it takes a commensurate amount of time to recover those investment costs. Therefore, doing so may result in a decline in profitability due to factors such as increased amortization burdens or in worsened cash flows over the short term, and if the listing of the Company Shares is to be maintained, it would not be easy to make prompt progress with the development of new products. In the overseas business as well, considering that some business locations of the Company's overseas subsidiaries are only producing low profits and that it is becoming increasingly important to implement radical growth strategies with a view to expanding business in overseas markets not only in the industrial synthetic resin products area but also in the housewares area, it is necessary to quickly implement rehabilitation measures, such as acquiring new transaction partners, making active investments for purposes such as strengthening production capabilities, and responding to the shift in production plants of the Company's main transaction partners, as well as measures to reestablish a superior competitive position. However, in order to implement those measures, costs for reforms will be incurred over the short term, and it will be necessary to allocate human resources and foster organizations with a long-term perspective. Therefore, it will be necessary to carry out those measures with a long-term perspective without focusing on declining profitability or worsening cash flows over the short term, and the Company believes that it would not be easy to progress with the above reforms to its overseas business while maintaining the listing of the Company Shares. In order to address those issues, the Company believes that implementing those measures at the same time is important for the long-term growth of the Company, but if implementing those measures while maintaining the listing of the Company Shares, it would be necessary to attempt to improve profits and achieve targets such as an ROE of 9% or more, which is set out as a long-term target for the fiscal year ending March 2031 in the Medium-term Management Plan, in

order to meet the expectations of the Company's shareholders and other investors even while those measures are being implemented. Due to those factors, the Company believes that it may not be possible to effectively implement those measures or to attempt to improve profits such as achieving targets sought by investors.

Based on this recognition of the issues, the Company reached the conclusion that in order to further enhance the corporate value of the Company Group, the best choice was to take the Company Shares private, which would allow it to implement measures such as labor reductions, automation, productivity improvements, and operational efficiency improvements and to work to create a firm foundation for generating profit, acquire highly-skilled human resources, and improve employee mindsets while also aiming to achieve prompt decision-making by creating a structure that is based on Mr. Hiroshi Kaneda, a member of the founding family, holding the Company Shares over the long term and is not constrained by the demands of the Company's shareholders and other investors, and the Company therefore began serious consideration of the Transactions.

As a result, the Company reached the conclusion that the Transactions will contribute to enhancing the corporate value of the Company due to the following reasons.

- (a) Expanding management and specialist human resources; building strong organizations

In order to respond to severe changes in the industry environment, such as the fact that needs for the Company's products have changed in ways such as shifting from large storage products to a variety of storage products due to reasons such as lifestyle changes arising from an increase in two-income households, the fact that previously, the main method for purchasing the Company's products was to see and purchase them directly in stores, but now many consumers purchase the Company's products based on a variety of information obtained online, and the fact that the speed of changes in preferences for products due to labor reforms and other reasons has accelerated, the Company believes it is important to build a management foundation for steadily implementing the Medium-term Management Plan.

When doing so, the Company recognizes that it will require human resources and structures that can contribute to efforts such as policies on business locations to immediately respond to environmental changes in the office automation area, which is the Company's main business, strengthening the automotive and electrical appliance areas, which are the Company's growth areas, entering new areas, developing new products in the housewares area, entering overseas markets, and strengthening e-commerce sales.

However, in its current state, the Company believes that it is lacking human resources in management-level area with a certain degree of knowledge regarding overseas expansion and large-scale investment and, in the automotive area, specialist human resources with knowledge of the

industry's views on quality standards, business practices, and other such matters and specialist human resources with knowledge of painting technologies. As it is difficult to effectively implement the above measures without human resources who possess those areas of expertise, the Company believes it is important to quickly acquire competent human resources, promptly integrate them into the Company's existing organizations, and increase engagement in order to rehabilitate the Company's performance and achieve long-term growth.

However, the Company cannot deny the possibility that performance may decline over the short term due to increased labor costs if the Company actively introduces personnel evaluation and compensation systems that will contribute more to the acquisition of the specialist human resources stated above and the strengthening of the retention and motivation of the Company's officers and employees. The Company believes that through the Transactions, it will become possible to actively introduce personnel evaluation and compensation systems without focusing on such short-term changes in performance and that integrating ownership and management under Mr. Hiroshi Kaneda, a member of the founding family, will enable faster and more flexible decision-making. Therefore, the Company believes that by conducting the Transactions, it will be possible to steadily implement aggressive hiring strategies including for specialist human resources with thorough knowledge of related industries such as the automotive and electrical appliance areas, where future growth is expected, and for excellent management-level personnel from outside the Company while making full use of its business identity and corporate culture and maintaining continuity with its existing businesses, and that it will thereby be possible to enhance the corporate value of the Company.

(b) Rebuilding the business portfolio for strong profitability and future potential

Currently, in the Company's office automation area, although the market as a whole is trending towards maturity, the office automation area constitutes 50% and more of the Company Group's net sales, and therefore the Company recognizes that it is important to continue to position it as the Company's main business and to maintain sales, while in the housewares area, which is the market for the Company's own products, it is anticipated that it will not be possible to expect significant growth in the Japanese market under the existing category strategy that specializes in manufacturing and selling storage products, and the Company recognizes that it is important to implement radical growth strategies by developing new categories in the Japanese market using the synthetic resin manufacturing technologies possessed by the Company and by developing new sales channels for synthetic resin houseware products through overseas markets and e-commerce as well as other means. Meanwhile, future growth is anticipated in the automotive and electrical appliance areas, so in order for the Company to adapt to the market environment and achieve growth, the Company believes it is important to actively invest

human resources and make capital investments such as for plants in the automotive area (Japan, Indonesia, and North America) and the electrical appliance area (Thailand and Vietnam), where it is anticipated that new profits can be obtained.

At the same time, in order for the Company to respond to a management environment where conditions change rapidly, such as the recent sudden increase in inflation and weakening of the yen, and to continue growing globally amid an environment of severe competition, it is necessary to transition to businesses with high added value through research and development in existing businesses and the creation of new businesses. However, in order to make that transition, it will be necessary to continually allocate the profits earned through existing businesses to new businesses, and a certain period of time for trial and error will be required. During the period that the Company attempts to make that transition, it is anticipated that management indicators such as ROE and ROIC will fall below investor expectations, so the Company believes that if it maintains its listing, it will be difficult to implement a variety of measures boldly and rapidly, giving sufficient consideration to investor expectations at the same time.

Accordingly, the Company believes that by taking the Company Shares private through the Transactions, it will be possible to implement the above measures flexibly and rapidly without focusing on short-term performance or share value and that it will thereby be possible to enhance the corporate value of the Company.

(c) Expanding production capabilities in key investment regions based on profitability

The Company recognizes three issues in regard to its production plants. First, in the office automation area, which is the Company's main business, because the Company's main transaction partners are relocating their production plants from China to Southeast Asia, it is necessary to take measures to achieve stable manufacturing at the Company's manufacturing plants in Southeast Asia. Second, because growth is anticipated in the automotive area (Japan, Indonesia, and North America) and the electrical appliance area (Thailand and Vietnam), it is necessary to respond to that demand in a timely manner. Third, while sales volume in the housewares area in Japan has struggled to grow, distribution costs, labor costs, raw material costs, and other prices are increasing, in addition to which capital investment costs are being incurred, leading to a continuing state of unprofitable performance, and therefore it is necessary to improve profits.

Therefore, the Company believes that in order to achieve future growth, it is important to review its production structure in the housewares area in Japan while relocating its production functions in the office automation area from China to Southeast Asia and strengthening its production capabilities to handle demand in the automotive area (Japan, Indonesia, and North America) and the electrical appliance area (Thailand and

Vietnam).

In regard to reviewing production structure and strengthening production capabilities as stated above, it would be effective and efficient to carry out those initiatives at the same time as other measures including those stated in (a) and (b) above. However, if the Company boldly implements those measures while maintaining its listing, the Company recognizes that it may be unable to obtain sufficient understanding and evaluation from the capital market due to factors such as a decline in the Company's earning power and capital efficiency, even though temporary, which may result in a decline in the Company's share price, damaging its share value. In addition, if the Company maintains its listing, it would need to consider profit not only over the medium to long term, but also short-term profit as well, and it recognizes that doing so may diminish the speed with which it carries out the above measures. The Company believes that through the Transactions, it can expect to boldly and rapidly implement the above measures without being affected by short-term changes in performance.

Although the achievement of each of the above measures can be expected to lead to the expansion of the Company Group's profits and significant growth over the medium to long term, when implementing each of those measures, they will not lead directly to profit over the short term and may instead lead to a decline in short-term performance. Therefore, if the Company cannot receive sufficient evaluation from the capital market for these measures as those of a listed company, there is a risk of causing a decline in share price and being unable to meet the expectations of the Company's existing shareholders, and the Company believes that it would be difficult to promptly implement these measures while maintaining its listing. If the Company Shares are taken private, it is possible that there will be an impact on areas such as acquiring excellent human resources and expanding transaction partners through the improved trust from society and name recognition that the Company has enjoyed as a listed company, and the Company will be unable to procure funds through equity financing from the capital market. However, taking into consideration recent increases in the costs for maintaining listing, the Company believes that there is little value to maintaining its listing moving forward, and based on the current financial condition of the Company Group, there is not expected to be a need to procure a large amount of funds, and given the trust from society and name recognition that the Company has established since its founding, it believes that the negative impacts of going private will be minor.

Accordingly, based on its consideration stated above, the Company's board of directors judged that the merits of taking the Company Shares private exceed the demerits. In addition, the Company's board of directors reached the conclusion that taking the Company Shares private through the Transactions, including the Tender Offer, will enable agile and flexible decision-making by integrating ownership and management and that building a new, strong, and stable management structure in which the shareholders and the management team are integrated would contribute to enhancing the corporate value of the Company.

For details of the above board of directors' resolution, refer to “(vii) Unanimous Approval by All of the Non-Interested Directors (including Audit Committee Members) of the Company” under “(6) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” below.

In addition, the Company judged that the Tender Offer Price of 3,580 yen is appropriate and provides the shareholders of the Company a reasonable opportunity to sell the Company Shares at a price that includes an appropriate premium based on factors such as that (i) of the results of the valuation of the Company Shares stated in the Share Valuation Report (Plutus Consulting) stated in “(i) Procurement by the Company of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Institution” under “(3) Matters Relating to Calculation” below, the Tender Offer Price (a) exceeds the upper limit of the range of valuation results based on the market price analysis, (b) exceeds the upper limit of the range of valuation results based on the comparable company analysis, and (c) exceeds the median of the range of valuation results based on the discounted cash flow method (hereinafter, the “DCF Method”), (ii) using March 13, 2025, the business day immediately preceding the announcement date of the Tender Offer, as a reference date, the Tender Offer Price includes a premium of 36.64% on 2,620 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange (the same shall apply hereinafter) on the reference date, a premium of 35.55% on 2,641 yen, the simple average closing price for the preceding one-month period, a premium of 29.95% on 2,755 yen, the simple average closing price for the preceding three-month period, and a premium of 27.13% on 2,816 yen, the simple average closing price for the preceding six-month period, and when compared to the medians of premiums on the closing price on the day immediately preceding the announcement date and the simple average closing prices for the preceding one-month, three-month, and six-month periods in 74 MBO transactions for the purpose of taking the target company private that were announced on or after June 28, 2019, the date on which the Ministry of Economy, Trade and Industry published the “Fair M&A Guidelines,” and in which the tender offer was consummated on or before January 31, 2025 (however, excluding transactions in which the target company was insolvent and tender offers in which the price represents a discount on share value) (such medians were 42.44% on the closing price on the day immediately preceding the announcement date and 45.18%, 45.80%, and 49.27% on the simple average closing prices for the preceding one-month, three-month, and six-month periods, respectively), the premiums included in the Tender Offer Price can not necessarily be considered to be at a high level; however, given the high degree of necessity of the Transactions in regard to the corporate value of the Company Group based on the severe business and management environment surrounding the Company, it is not necessarily appropriate to determine that the Transactions should not be conducted if the premiums are not at the same level as the medians of premiums in other MBO transactions, and as stated in (i) above, the premiums can be considered to not be unreasonable in light of the results of the valuation

of the Company Shares stated in the Share Valuation Report (Plutus Consulting) performed based on the Business Plan, which reflects that environment, and furthermore, as stated above, the Tender Offer Price includes a premium of 25.00% or more on the closing price of the Company Shares on the reference date, which is the day immediately preceding the announcement date of the Tender Offer, and on the simple average closing prices for the preceding one-month, three-month, and six-month periods; therefore, the premiums included in the Tender Offer Price can be considered to have reached a certain level, (iii) the Company finds that consideration has been given to the interests of its general shareholders by means such as taking the measures to ensure the fairness of the Tender Offer and measures to avoid conflict of interest stated in “(6) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” below, (iv) the Tender Offer Price was determined after taking the above measures and following discussions and negotiations between the Company and the Tender Offeror equivalent to those in an arms-length transaction on multiple occasions with the substantial involvement of the Special Committee, and (v) as stated in “(v) Establishment of an Independent Special Committee and Procurement of a Report from such Special Committee by the Company” under “(6) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest,” the Report obtained from the Special Committee states that the Special Committee finds the Tender Offer Price to be appropriate. The Tender Offer Price is 10.52% below the Company’s net assets per share as of December 31, 2024 (4,001.01 yen), but under accounting principles generally accepted as fair and appropriate, the Company has prepared a consolidated balance sheet on the premise that it is a going concern, and the net assets stated therein do not indicate the Company’s theoretical liquidation value. In addition, the Company’s assets include many business assets with low liquidity such as inventory assets, factory land and buildings, and intangible fixed assets including goodwill (the ratio of assets falling under those categories (i.e., merchandise and finished goods (3,516,965,000 yen), work in process (696,186,000 yen), raw materials and supplies (4,738,130,000 yen), tangible fixed assets related to factories (31,084,268,000 yen), and intangible fixed assets (3,415,789,000 yen)) to the total assets (101,921,451,000 yen) stated in the Company’s consolidated balance sheet (as of March 31, 2024) is 42.63%), and taking into consideration factors such as the difficulty of selling such assets and the various additional costs that would arise upon liquidation, a significant level of impairment on book value is expected if the Company were liquidated (however, the Company is not planning to liquidate and therefore has not obtained any estimate or performed any specific estimate based on the assumption that it will do so). Therefore, the Special Committee does not consider it reasonable to emphasize net assets when calculating the corporate value of the Company as a going concern.

Based on the above, at a meeting of the Company’s board of directors held today, the Company resolved to express an opinion in support of the Tender Offer and to recommend that the Company’s shareholders tender their shares in the Tender

Offer.

For details of the method of resolution at the above meeting of the board of directors, refer to “(vii) Unanimous Approval by All of the Non-Interested Directors (including Audit Committee Members) of the Company” under “(6) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” below.

(iv) Post-Tender Offer Managerial Policy

The Transactions fall under the category of a so-called management buyout (MBO) and Mr. Hiroshi Kaneda will continue engaging in the management of the Company after the Tender Offer and promote management measures stated in “(ii) Background, Objectives, and Decision-Making Process Leading to the Tender Offeror’s Decision to Conduct the Tender Offer” above. Furthermore, the participation of Mr. Yasuichi Kaneda in the management of the Company after the Transactions has not been specifically discussed as of today, and is undecided. Also, Ms. Soo Jung Lee does not intend to participate in the management of the Company after the Transactions. The Tender Offeror and Mr. Hiroshi Kaneda’s basic policy is to maintain the present management structure of the Company even after the Transactions and external management personnel with a certain level of knowledge and expertise are expected to participate in the management of the Company as personnel responsible for investments and overseas markets; however, there is no agreement between the Tender Offeror and other directors (including directors who are audit and supervisory committee members) of the Company, nor between the Tender Offeror and any external management personnel, regarding their assumption of office or treatment after the Tender Offer. The Tender Offeror and Mr. Hiroshi Kaneda aim to realize an increase in the enterprise value of the Company after the Company Shares are taken private, and the specific management structures, as well as the organizational structures and governance structures, to achieve this goal will be considered and determined through discussions with the Company after the completion of the Tender Offer.

(3) Matters Relating to Calculation

(i) Procurement by the Company of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Institution

(A) Name of Third-Party Valuation Institution; Relationship of Third-Party Valuation Institution to the Company and the Tender Offeror

In order to ensure the fairness of the decision-making process of the Company’s board of directors in relation to the Transactions, including the Tender Offer, the Company has requested Plutus Consulting, a third-party valuation institution independent of the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, Dalton Investments, and the Company, to calculate the share value of the Company Shares and to provide an opinion on the fairness of the Tender Offer Price from a financial perspective (hereinafter, the “Fairness Opinion”), and has obtained a share valuation report on the Company Shares (hereinafter, the “Share Valuation Report (Plutus Consulting)”) and the Fairness Opinion as of March 13, 2025.

Plutus Consulting is not a related party of the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, Dalton Investments, or the Company, and does

not have any material interests that should be noted in relation to the Transactions, including the Tender Offer. In addition, the Special Committee has confirmed that there are no issues with the independence of Plutus Consulting. Further, Plutus Consulting will receive only fixed fees for the Transactions, which are payable regardless of whether the Transactions are consummated, and will not receive any contingent fees payable upon the consummation of the Transactions.

(B) Overview of Calculations

Plutus Consulting considered the valuation methods to be adopted for the Tender Offer, and as a result, on the assumption that the Company is a going concern and that a multifaceted evaluation of the value of the Company Shares would be appropriate, Plutus Consulting calculated said share value of the Company Shares using the following: (i) the market price analysis, because the Company Shares are listed on the Prime Market of the Tokyo Stock Exchange, (ii) the comparable company analysis, because there are comparable listed companies and an analogical inference of the share value in comparison to comparable listed companies is viable, and (iii) the DCF Method, to ensure that the circumstances of the Company's future business activities would be reflected in the calculation. According to Plutus Consulting, the adopted valuation methods and the ranges of values per Company Share that were obtained from the valuation methods in valuating the share value of the Company Shares are as follows.

Market Price Analysis:	2,620 yen to 2,816 yen
Comparable Company Analysis:	2,644 yen to 3,153 yen
DCF Method:	2,952 yen to 3,918 yen

In the market price analysis, March 13, 2025 was used as the calculation reference date, and calculations were performed on the basis of the closing price of the Company Shares of 2,620 yen on the calculation reference date, the simple average closing price of 2,641 yen for the one-month period immediately preceding the calculation reference date, the simple average closing price of 2,755 yen for the three-month period immediately preceding the calculation reference date, and the simple average closing price of 2,816 yen for the six-month period immediately preceding the calculation reference date (all such prices as listed on the Prime Market of the Tokyo Stock Exchange). As a result, the value per Company Share was calculated to be in the range of 2,620 yen to 2,816 yen.

In the comparable company analysis, after selecting SANKO GOSEI LTD., Takagi Seiko Corporation, Tensho Electric Industries Co., Ltd., Muto Seiko Co., Ltd., DaikyoNishikawa Corporation, YAMATO Mobility & Mfg.Co., Ltd., Moriroku Holdings Company, Ltd. and MEIWA INDUSTRY CO.,LTD. as comparable listed companies that are engaged in businesses that are relatively similar to that of the Company, Plutus Consulting calculated the share value of the Company Shares by using the EBITDA Multiples. These calculations resulted in a value per Company Share in the range of 2,644 yen to 3,153 yen.

In the DCF Method, based on the Business Plan prepared by the Company, the corporate value and share value of the Company were analyzed by discounting to the present value at a given discount rate the free cash flow that the Company

is expected to generate during and after the fourth quarter of the fiscal year ending March 2025, using factors such as revenues and investment plans under the business plans for the five fiscal years from the fiscal year ending March 2025 to the fiscal year ending March 2029 and publicly available information as the basis therefor. The calculations resulted in a share value per Company Share in the range of 2,952 yen to 3,918 yen. In the calculation of the share value, discount rates of between 7.4% and 9.6% were used, and the perpetual growth model and multiple method were adopted to calculate the value of the going concern. The perpetual growth rate was set at 0%, and the EBITDA multiple method was adopted as the multiple method, with the calculations resulting in a multiple from 2.8 to 4.2. The earnings forecast for the fiscal year ending March 2025 stated in “Notice of Revised Earnings Forecast for the Fiscal Year Ending March 2025” released by the Company today is reflected in the Business Plan that Plutus Consulting used as a basis for the DCF Method calculations.

The specific figures of the Company’s financial projections that Plutus Consulting used as a basis for the DCF Method calculations are as indicated below. Such financial projections include fiscal years in which large increase or decrease in earnings and free cash flow are expected. For the fiscal year ending March 2025, operating profit is expected to increase by 2.6 billion yen (representing a year-over-year increase of 90.94%) in conjunction with increased demand, mainly for industrial synthetic resin-related products (in the automotive and electrical appliance sectors). For the fiscal year ending March 2026, operating profit is expected to increase by 4 billion yen (representing a year-over-year increase of 53.85%) in conjunction with increased demand in China, mainly for houseware synthetic resin-related products, and reductions in fixed costs, free cash flow is expected to increase by 2.031 billion yen (representing a year-over-year increase of 168.79%). Free cash flow in the fiscal year ending March 2027 is expected to decrease by 1.513 billion yen (representing a year-over-year decrease of 174.5%) in conjunction with construction investments in the new Vietnam plant, but due to reductions in construction investments that fiscal year, free cash flow is expected to increase by 3.832 billion yen (representing a year-over-year increase of 353.25%) in the fiscal year ending March 2028. The synergistic effect expected to be achieved by the implementation of the Transactions is not reflected in the financial projections, as it is difficult to specifically estimate any effect at this time.

(Unit: million yen)

	Fiscal year ending March 2025 (3 months)	Fiscal year ending March 2026	Fiscal year ending March 2027	Fiscal year ending March 2028	Fiscal year ending March 2029
Net Sales	228,949	102,000	107,000	109,300	111,500
Operating Profit	1,002	4,000	4,700	4,900	5,200
EBITDA	2,345	8,714	9,814	10,514	11,214
Free Cash Flow	(1,930)	2,031	(1,513)	3,832	4,466

When calculating the share value of the Company Shares, Plutus Consulting, as a rule, utilized the information provided by the Company, publicly-available information, and other such information on an as-is basis, assuming that such materials, information, etc. were accurate and complete in all respects. Therefore, Plutus Consulting did not independently evaluate or assess the accuracy or completeness of such information. No independent assessments were made, and no expert opinions or assessments from third-party organizations were sought, in regard to the assets and liabilities of the Company (including unlisted assets and liabilities and other contingent liabilities). In addition, it was assumed that the information with respect to the Company's financial projections had been reasonably prepared on the best predictions and judgments that could be made by the Company's management at the time of the calculation.

(C) Overview of the Fairness Opinion

On March 13, 2025, the Company obtained the Fairness Opinion from Plutus Consulting which stated to the effect that 3,580 yen per share as the Tender Offer Price is fair to the general shareholders of the Company from a financial point of view. The Fairness Opinion expressed the opinion that the Tender Offer Price of 3,580 yen per share is fair to the general shareholders of the Company from a financial point of view in light of factors such as the calculated share value based on the Business Plan. The Fairness Opinion was issued by Plutus Consulting based on the result of the Company's share valuation calculated after receiving disclosures of information such as the current state of the Company's business and the Business Plan from the Company and receiving explanations thereof, as well as question-and-answer sessions with the Company concerning the outline, background, and purpose of the Tender Offer, considerations of factors such as the Company's business environment, the economy, markets, and financial landscape conducted to the extent deemed necessary by Plutus Consulting, and the review procedures carried out by an examination committee independent of Plutus Consulting's engagement team (Note 1).

(Note 1) Plutus Consulting assumes that the Business Plan and other materials used as base materials for the Fairness Opinion have been reasonably prepared based on the best forecasts and judgements obtained at the time of preparation of such materials. Plutus Consulting does not guarantee the feasibility thereof and does not express any view regarding any analysis or forecast that is the basis of the preparation of those materials or any premises that serve as grounds for those materials.

Plutus Consulting is not an expert on legal, accounting, or taxation matters. Accordingly, Plutus Consulting does not state an opinion on any legal, accounting, or taxation issues related to the Tender Offer and is not obligated to state such an opinion.

Plutus Consulting has not conducted an independent evaluation or appraisal of the assets or liabilities (including off-balance-sheet assets and liabilities and other contingent liabilities) of the Company or any of its affiliates, including assessments and evaluations of individual

assets and liabilities, and it has not received any submitted written evaluation or appraisal of any such assets or liabilities. Accordingly, Plutus Consulting has not evaluated the ability of the Company or its affiliates to make payments.

The Fairness Opinion states an opinion on the fairness of the Tender Offer Price from a financial perspective, which is to be used when the Company expresses its opinions on the Tender Offer. Accordingly, the Fairness Opinion does not state any opinion on the advantages or disadvantages compared with transactions that could serve as alternatives to the Tender Offer, the benefits that could be brought by executing the Tender Offer, or whether the Tender Offer should be accepted.

The Fairness Opinion does not state any opinion to holders of securities issued by the Company, creditors, or other persons related to the Company. Accordingly, Plutus Consulting does not owe an obligation to any shareholders or third parties that have relied on the Fairness Opinion.

Plutus Consulting is not soliciting investments in the Company and is not authorized to make any such solicitation. Accordingly, the Fairness Opinion does not make any recommendation to the shareholders of the Company with regards to tendering their shares in the Tender Offer or on any other activities relating to the Tender Offer.

The Fairness Opinion states an opinion as of the submission date thereof on whether the Tender Offer Price is fair to the general shareholders of the Company from a financial perspective based on financial and capital markets, economic conditions, and other circumstances as of the submission date of the Fairness Opinion and based on information provided to or obtained by Plutus Consulting up to that submission date. Plutus Consulting does not owe an obligation to revise, amend, or supplement its opinion, even if those assumptions on which such opinion is based change due to a subsequent change in conditions.

The Fairness Opinion does not make any deduction or suggestion of any opinion regarding any matters that are not explicitly stated in the Fairness Opinion or any matters on or after the submission date of the Fairness Opinion.

Plutus Consulting assumes that the base materials provided by the Company for preparing the Fairness Opinion and the publicly available materials and information obtained by the Company are accurate and complete. Plutus Consulting has not conducted any independent investigation or examination of the accuracy or completeness of said materials or information, and it does not owe any obligation to do so. Accordingly, Plutus Consulting will not bear any liability arising out of any incompleteness of such materials or the non-disclosure of any material facts.

(ii) Procurement by the Special Committee of a Share Valuation Report from an Independent Third-Party Valuation Institution

(A) Name of Third-Party Valuation Institution; Relationship of Valuation Institution to the Company and the Tender Offeror

In considering the Consulted Matters (as defined below in “(a) Process of Establishing the Special Committee and Other Related Matters” in “(v) Establishment of an Independent Special Committee at the Company; Procuring a Written Report” under “(6) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest”), in order to ensure the fairness in the decision-making process by the Company’s board of directors regarding the Transactions, including the Tender Offer, the Special Committee has requested AGS FAS, a third-party valuation institution independent of the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, Dalton Investments, and the Company, to calculate the share value of the Company Shares, and obtained a share valuation report for the Company Shares (hereinafter, the “Share Valuation Report (AGS FAS)”) as of March 13, 2025. As stated below in “(6) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest r,” given that the Tender Offeror and the Company have taken measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest, the interests of the general shareholders of the Company have been adequately taken into account, and that the Fairness Opinion has been obtained from Plutus Consulting, the Company’s third party valuation institution, the Special Committee has not obtained an opinion regarding the fairness of the Tender Offer Price from AGS FAS (fairness opinion). AGS FAS is not a related party of the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, Dalton Investments, or the Company, and does not have any material interests that should be noted in relation to the Transactions, including the Tender Offer.

In addition, the Special Committee has confirmed that there are no issues with the independence of AGS FAS. As stated below in “(v) Establishment of an Independent Special Committee at the Company; Procuring a Written Report” under “(6) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest r,” the Special Committee appointed AGS FAS as its own third-party valuation institution after considering several candidate third-party valuation institutions in terms of their independence, expertise, track record, and other factors. In addition, in relation to the Transactions, AGS FAS will receive only fixed fees, which are payable regardless of whether the Transactions are consummated, and will not receive any contingent fees payable upon the consummation of the Transactions, including the Tender Offer.

(B) Overview of Calculations

AGS FAS considered the valuation methods to be adopted for the Tender Offer, and as a result, on the assumption that the Company is a going concern and that a multifaceted evaluation of the value of the Company Shares would be appropriate, AGS FAS calculated said share value of the Company Shares using

the following: (i) the market price analysis, because the Company Shares are listed on the Prime Market of the Tokyo Stock Exchange, (ii) the comparable company analysis, because there are comparable listed companies and an analogical inference of the share value in comparison to comparable listed companies is viable, and (iii) the DCF Method, to ensure that the circumstances of the Company's future business activities would be reflected in the calculation. According to AGS FAS, the adopted valuation methods and the ranges of values per Company Share that were obtained from the valuation methods in valuating the share value of the Company Shares are as follows.

Market Price Analysis:	2,620 yen to 2,816 yen
Comparable Company Analysis:	2,541 yen to 2,814 yen
DCF Method:	2,964 yen to 3,838 yen

In the market price analysis, March 13, 2025, the business day immediately preceding the date on which a resolution was passed by the Company's board of directors regarding expressing its opinion on the Tender Offer, was used as the calculation reference date, and calculations were performed on the basis of the closing price of the Company Shares of 2,620 yen on the calculation reference date, the simple average closing price of 2,641 yen for the one-month period immediately preceding the calculation reference date, the simple average closing price of 2,755 yen for the three-month period immediately preceding the calculation reference date, and the simple average closing price of 2,816 yen for the six-month period immediately preceding the calculation reference date (all such prices as listed on the Prime Market of the Tokyo Stock Exchange). As a result, the value per Company Share was calculated to be in the range of 2,620 yen to 2,816 yen.

In the comparable company analysis, after selecting SANKO GOSEI LTD., Shin-Etsu Polymer Co., Ltd., and Moriroku Holdings Company, Ltd. as comparable listed companies that are engaged in businesses that are relatively similar to that of the Company, Plutus Consulting calculated the share value of the Company Shares by using the Company's EBITDA Multiples against its corporate value. These calculations resulted in a value per Company Share in the range of 2,541 yen to 2,814 yen.

In the DCF Method, based on the Business Plan, the corporate value and share value of the Company were analyzed by discounting to the present value at a given discount rate the free cash flow that the Company is expected to generate during and after the fourth quarter of the fiscal year ending March 2025, using factors such as revenues and investment plans under the business plans for the five fiscal years from the fiscal year ending March 2025 to the fiscal year ending March 2029 and publicly available information as the basis therefor. The calculations resulted in a share value per Company Share in the range of 2,964 yen to 3,838 yen. In the calculation of the share value, discount rates of between 7.63% and 9.63% were used, and the perpetual growth model was adopted to calculate the value of the going concern. The earnings forecast for the fiscal year ending March 2025 stated in "Notice of Revised Earnings Forecast for the Fiscal Year Ending March 2025" released by the Company today is reflected in the Business Plan that AGS FAS used as a basis for the DCF Method calculations.

In addition, the Business Plan includes fiscal years in which large changes in earnings and losses are expected on a year-on-year basis. Specifically, in the fiscal year ending March 2025, operating profit is expected to increase by 2.6 billion yen (representing a year-over-year increase of 90.94%) in conjunction with increased demand, mainly for industrial synthetic resin-related products (in the automotive and electrical appliance sectors). For the fiscal year ending March 2026, operating profit is expected to increase by 4 billion yen (representing a year-over-year increase of 53.85%) in conjunction with increased demand in China, mainly for houseware synthetic resin-related products, and reductions in fixed costs, but free cash flow is expected to increase by 1.891 billion yen (representing a year-over-year increase of 84.83%) due to the construction of a new plant in Vietnam and increased capital investments in the Thailand plant. Continuing from the fiscal year ending March 2026, free cash flow in the fiscal year ending March 2027 is expected to decrease by 1.419 billion yen (representing a year-over-year decrease of 175.03%) in conjunction with construction investments in the new Vietnam plant, but due to reductions in construction investments that fiscal year, free cash flow is expected to increase by 3.943 billion yen (representing a year-over-year increase of 377.90%) in the fiscal year ending March 2028.

The specific figures in the Company's financial projections that were used by AGS FAS as the basis for the calculation using the DCF Method are indicated below. The synergistic effect expected to be achieved by the implementation of the Transactions excluding the reductions in costs to maintain listing, is not reflected in the Company's financial projections that were used by AGS FAS in the DCF Method, as it is difficult to specifically estimate any effect at this time.

(Unit: million yen)

	Fiscal year ending March 2025 (3 months)	Fiscal year ending March 2026	Fiscal year ending March 2027	Fiscal year ending March 2028	Fiscal year ending March 2029
Net Sales	28,949	102,000	107,000	109,300	111,500
Operating Profit	1,003	4,000	4,700	4,900	5,200
EBITDA	2,073	8,490	9,590	10,290	10,990
Free Cash Flow	(2,468)	1,891	(1,419)	3,943	4,550

When calculating the share value of the Company Shares, AGS FAS used, as a general rule, the materials and information provided by the Company and publicly available information on an as-is basis, assuming that all of the materials and information that were subject to its analysis and examination were accurate and complete. Therefore, AGS FAS did not, and has no obligation to, independently verify the accuracy or completeness of such materials and information. AGS FAS assumed, among other matters, that there are no facts that could possibly have a material impact on the calculation of the share value of the Company Shares which have not been disclosed to AGS FAS. Further, no

independent evaluations, assessments, or appraisals were conducted, and no evaluations, assessments, or appraisals from third-party organizations were sought, in regard to any of the assets and liabilities of the Company and its affiliates (including, without limitation, derivatives, unlisted assets and liabilities, and other contingent liabilities), including analyses and evaluations of any individual part thereof. AGS FAS also assumed that the Business Plan provided to it and other information regarding the Company's future status had been reasonably confirmed, examined, and prepared based on the best predictions and judgments that could be made by the Company's management as of present, and thus relied on such information without conducting any individual verification thereof. AGS FAS's calculation is based on the financial, economic, market, and other conditions as of March 13, 2025. The results of calculation of the share value of the Company Shares submitted by AGS FAS are not intended to serve as the expression of its opinion on the fairness of the Tender Offer Price.

(iii) Method of Calculation by the Tender Offeror

In determining the Tender Offer Price, the Tender Offeror comprehensively analyzed the Target Company's business and financial condition based on financial and other information disclosed by the Target Company. Since the Target Company Shares are traded on a financial instruments exchange, the Tender Offeror referred to, in addition to the results of due diligence in respect of the Target Company, the trend in the price of the Target Company Shares, i.e., the closing price of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange on March 13, 2025, which is the business day immediately preceding the announcement date of the Tender Offer (2,620 yen) and the simple average of the closing prices for the one (1) month period, three (3) month period and six (6) month period ending on March 13, 2025 (2,641 yen, 2,755 yen and 2,816 yen, respectively), and comprehensively took into consideration factors such as the outcome of the consultation and negotiation with the Target Company and the Special Committee, whether the board of directors of the Target Company supports the Tender Offer, and the estimated number of shares to be tendered in the Tender Offer; and finally determined on the Tender Offer Price of 3,580 yen as of March 14, 2025. As stated above, since the Tender Offer determined the Tender Offer Price by taking various factors into consideration and after engaging in consultation and negotiation with the Target Company and the Special Committee, the Tender Offeror has not obtained a share valuation report from a third-party valuation institution.

The Tender Offer Price, 3,580 yen, is a price with each of the following premiums: a) a 36.64% premium on the closing price of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange on March 13, 2025 (2,620 yen) (which is the business day immediately preceding the announcement date of the Tender Offer), b) a 35.55% premium on the simple average of the closing prices for a one (1) month period (from February 14, 2025 to March 13, 2025) (2,641 yen), c) a 29.95% premium on the simple average of the closing prices for a three (3) month period (from December 16, 2024 to March 13, 2025) (2,755 yen), and d) a 27.13% premium on the simple average of the closing prices for a six (6) month period (from September 16, 2024 to March 13, 2025) (2,816 yen).

(4) Expectations for Delisting and Reasons Therefor

As of today, the Company Shares are listed on the Prime Market of the Tokyo Stock Exchange. However, since the Tender Offeror has not set the maximum number of shares to be purchased in the Tender Offer, depending on the result of the Tender Offer, the Company Shares may be delisted pursuant to the prescribed procedures in accordance with the criteria for delisting prescribed by the Tokyo Stock Exchange. In addition, even in the case where the Company Shares do not meet such criteria at the time of the consummation of the Tender Offer, the Tender Offeror plans to implement the Squeeze-Out Procedures described in “(5) Post-Tender Offer Reorganization and Other Policies (Matters Relating to the ‘Two-Step Acquisition’)” above, after the Tender Offer is consummated; therefore, if such procedures are implemented, the Company Shares will be delisted pursuant to the prescribed procedures, in accordance with the criteria for delisting prescribed by the Tokyo Stock Exchange. In such case, the Company Shares will no longer be traded on the Tokyo Stock Exchange after the delisting.

(5) Post-Tender Offer Reorganization and Other Policies (Matters Relating to the ‘Two-Step Acquisition’)

As described in “(i) Overview of the Tender Offer” of “(2) Grounds and Reasons for Opinions on the Tender Offer” above, if the Tender Offeror is unable to acquire all of the Company Shares (excluding the Company Shares held by the Tender Offeror, treasury shares held by the Company and the Shares Agreed Not to Be Tendered) in the Tender Offer, after the consummation of the Tender Offer, the Tender Offeror intends to implement the Squeeze-Out Procedures by the following methods for the purpose of acquiring all of the Company Shares (excluding the Company Shares held by the Tender Offeror, treasury shares held by the Company and the Shares Agreed Not to Be Tendered).

Specifically, after the consummation of the Tender Offer, the Tender Offeror intends to request that the Company hold an extraordinary shareholders’ meeting (the “Extraordinary Shareholders’ Meeting”) where the agenda of which includes (a) a proposal to implement the Share Consolidation and (b) a proposal to amend the articles of incorporation, subject to the Share Consolidation becoming effective, for the purpose of abolishing the provision regarding the number of shares constituting one share unit, as well as other matters considered reasonably necessary for the implementation of the Squeeze-Out Procedures. The Tender Offeror and the Shareholders Agreeing Not to Tender Shares intend to vote in favor of each of the above proposals at the Extraordinary Shareholders’ Meeting. As of today, the Extraordinary Shareholders’ Meeting is scheduled to be held in late July 2025.

If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders’ Meeting, the number of the Company Shares held by the shareholders of the Company will be changed, as of the effective date of the Share Consolidation, in proportion to the Share Consolidation ratio approved at the Extraordinary Shareholders’ Meeting. In the case where any fractional shares arise as a result of the Share Consolidation, the cash to be obtained by selling to the Company or the Tender Offeror the number of Company Shares equivalent to the aggregate of such fractional shares (any fractional shares in the aggregate will be rounded down; the same shall apply hereinafter) will be delivered to the shareholders of the Company who hold such fractional shares, pursuant to the procedures provided in Article 235 of the Companies Act and other relevant laws or regulations. With respect to the sale price of the number of Company Shares equivalent to the aggregate of such fractional shares, the Tender Offeror intends to request the Company to determine such price in a manner that ensures that the amount of money to be delivered as a result of such sale, to the shareholders of the Company (excluding the Tender Offeror, the Shareholders Agreeing Not to Tender Shares

and the Company) who did not tender their shares in the Tender Offer will be equal to the amount obtained by multiplying the Tender Offer Price by the number of Company Shares held by such shareholder, and to file a petition with a court for permission for such voluntary sale. Although the consolidation ratio of the Company Shares has not yet been determined as of today, it is contemplated that the ratio will be determined so as to ensure that only the Tender Offeror and the Shareholders Agreeing Not to Tender Shares will hold all of the Company Shares (excluding the treasury shares held by the Company) and the number of the Company Shares held by the shareholders of the Company (excluding the Tender Offeror, the Shareholders Agreeing Not to Tender Shares and the Company) who did not tender their shares in the Tender Offer will be less than one share. As explained in “4. Matters Relating to Material Agreements Concerning the Tender Offer” above, in order to avoid, to the extent possible, the case where there are shareholders of the Company (excluding the Tender Offeror and the Shareholders Agreeing Not to Tender Shares) who hold Company Shares in a number equal to or greater than the smallest number of Company Shares held by either the Tender Offeror or any of the Shareholders Agreeing Not to Tender Shares as of the effective date of the Share Consolidation, and in order to enhance the stability of the Squeeze-Out Procedures, there is a possibility that each Shareholder Agreeing Not to Tender Shares will execute the Share Lending Transaction with the other Shareholders Agreeing Not to Tender Shares with effect before the Share Consolidation becomes effective, if requested by the Tender Offeror. In accordance with the stipulations of the Companies Act, the shareholders of the Company who did not tender their shares in the Tender Offer may, pursuant to the provisions of Articles 182-4 and 182-5 of the Companies Act and other relevant laws or regulations and subject to the satisfaction of the prescribed conditions, request the Company to purchase all of their fractional shares of the Company at a fair price and file a petition with a court for determination of the price of the Company Shares in the case where the Share Consolidation is conducted and any fractional share arises. In the event the above-mentioned petition is filed, the purchase price will ultimately be determined by the court. In the Tender Offer, there is no intention to solicit the affirmative vote of the shareholders of the Company at the Extraordinary Shareholders’ Meeting.

The procedures described above may take longer than anticipated or the method of carrying them out may be changed due to the amendment or enforcement of the relevant laws and regulations, or the interpretation by the authorities of the relevant laws and regulations. However, even in such cases, if the Tender Offer is consummated, the Tender Offeror intends to adopt any measures necessary to ultimately pay cash to the shareholders of the Company (excluding the Tender Offeror, the Shareholders Agreeing Not to Tender Shares and the Company) who did not tender their shares in the Tender Offer and to cause the amount of cash to be paid to such shareholders of the Company to be equal to the amount obtained by multiplying the Tender Offer Price by the number of the Company Shares owned by such shareholders of the Company.

The specific procedures and schedule in the above cases will be announced by the Company once they are determined through discussion between the Tender Offeror and the Company. Each shareholder of the Company should consult with tax experts at their own responsibility regarding the tax implications related to tendering their shares in the Tender Offer or any of the procedures above.

- (6) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest

In light of the fact that the Tender Offer is implemented as part of the Transactions for the management buyout (MBO), which may structurally involve conflict of interest issues, the Tender Offeror and the Company have implemented the following measures to ensure the fairness of the Transactions, including the Tender Offer, from the perspectives of ensuring the fairness of the Tender Offer Price, eliminating any arbitrariness in the process leading to the determination to implement the Tender Offer, and avoiding conflicts of interest.

Of the following statements, the statements regarding the measures implemented by the Tender Offeror are based on the explanation provided by the Tender Offeror.

In addition, the Tender Offeror has not set a minimum number of shares to be purchased by a so-called “majority of minority” in the Tender Offer, because the Tender Offeror believes that setting such minimum number may make the completion of the Tender Offer uncertain and may not contribute to the interests of general shareholders of the Company who wish to tender their shares in the Tender Offer. Nevertheless, since the Tender Offeror and the Company implement the measures stated below as the measures to ensure the fairness of the Tender Offer Price and to avoid a conflict of interest, the Tender Offeror believes that the interests of the general shareholders of the Company have been adequately considered. Further, the Special Committee determined in the Report that, in light of the fact that other measures to ensure fairness are deemed to have been sufficiently put in place sufficiently, it is not necessary to deem that there has been a lack of sufficient opportunities for shareholders to make their decision based on the mere fact that an MoM Condition has not been established, and the Company has reached the same conclusion.

(i) Procurement by the Company of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Institution

As stated in “(i) Procurement by the Company of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Institution” under “(3) Matters Relating to Calculation” above, in order to ensure the fairness of the decision-making process of the Company’s board of directors in relation to the Transactions, including the Tender Offer, the Company has requested Plutus Consulting, a third-party valuation institution independent of the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, Dalton Investments, and the Company, to calculate the share value of the Company Shares and to provide an opinion on the fairness of the Tender Offer Price from a financial perspective (a fairness opinion), and has obtained the Share Valuation Report (Plutus Consulting) and the Fairness Opinion as of March 13 2025.

Plutus Consulting is not a related party of the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, Dalton Investments, or the Company, and does not have any material interests that should be noted in relation to the Transactions, including the Tender Offer. In addition, the Special Committee has confirmed that there are no issues with the independence or expertise of Plutus Consulting. Plutus Consulting will receive only fixed fees, which are payable regardless of whether the Transactions are consummated, and will not receive any contingent fees payable upon the consummation of the Transactions.

For a summary of the Share Valuation Report (Plutus Consulting) and the Fairness Opinion, refer to “(i) Procurement by the Company of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Institution” under “(3) Matters Relating to Calculation” above.

(ii) Procurement by the Company of Advice from an Independent Law Firm

As stated in “(iii) Decision-Making Process Leading to the Company’s Decision to Support the Tender Offer, and the Reasons Therefor” under “(2) Grounds and Reasons for Opinions on the Tender Offer” above, in order to ensure that the Company makes careful decisions

regarding the Transactions, including the Tender Offer, and to ensure the fairness and appropriateness of the decision making by the Company's board of directors, the Company has appointed Mori Hamada as a legal advisor independent of the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, Dalton Investments, and the Company, and has been receiving necessary legal advice from Mori Hamada regarding the decision-making methods and processes of the Company's board of directors, and other considerations, including the procedures for the Transactions.

In addition, Mori Hamada is not a related party of the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, Dalton Investments, or the Company, and does not have any material interests that should be noted in relation to the Transactions, including the Tender Offer.

Further, the Special Committee has confirmed that there are no issues with the independence and expertise of Mori Hamada. The firm will be paid on an hourly basis only, which is payable regardless of whether the Transactions are consummated, and will not receive any contingent fees payable upon the consummation of the Transactions.

(iii) Advice from a Financial Advisor Independent of the Company

As stated in "(iii) Decision-Making Process Leading to the Company's Decision to Support the Tender Offer, and the Reasons Therefor" of "(2) Grounds and Reasons for Opinions on the Tender Offer" above, in order to ensure that the Company makes careful decisions regarding the Transactions, including the Tender Offer, and to ensure the fairness and appropriateness of the decision making by the Company's board of directors, the Company appointed Resona Research Institute as its financial advisor independent of the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, Dalton Investments, and the Company, and the Company has been receiving advice from a financial perspective therefrom, including advice regarding the decision-making methods and processes of the Company's board of directors, and other considerations, including the procedures for the Transactions.

In addition, Resona Research Institute is not a related party of the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, Dalton Investments, or the Company, and does not have any material interests that should be noted in relation to the Transactions, including the Tender Offer.

Further, the Special Committee has confirmed that there are no issues with the independence and expertise of Resona Research Institute. Contingent fees payable upon the announcement or consummation of the Transactions are included in the remuneration to be paid to Resona Research Institute in connection with the Transactions. However, the Company appointed Resona Research Institute as its financial advisor under the aforementioned remuneration system based on its determination that, even when considering factors such as general practices in similar transactions, the fact that such contingent fees payable upon the announcement or consummation of the Transactions are included does not negate the independence of Resona Research Institute. The Company is engaged in financing and other transactions as part of its ordinary banking transactions with Resona Bank, Limited (hereinafter, "Resona Bank"), which belongs to the same financial group as Resona Research Institute (hereinafter, the "Resona Group"), and the Company is aware that Resona Bank is engaged in financing and other transactions as part of its ordinary banking transactions with the Tender Offeror. However, the Company has received an explanation from Resona Research Institute that the Resona Group restricts the sharing of information and that the Resona Research Institute will provide its financial advisory services to the Company from

a position independent of Resona Bank.

- (iv) Procurement by the Special Committee of a Share Valuation Report from an Independent Third-Party Valuation Institution

As stated in “(ii) Procurement by the Special Committee of a Share Valuation Report from an Independent Third-Party Valuation Institution” under “(3) Matters Relating to Calculation” above, in considering the Consulted Matters (as defined in “(a) Process of Establishing the Special Committee and Other Related Matters” of “(v) Establishment of an Independent Special Committee at the Company; Procuring a Report” below), in order to ensure the appropriateness of the terms and conditions of the transactions, including the Tender Offer Price, the Special Committee has requested AGS FAS Co., Ltd. (“AGS FAS”), a third-party valuation institution independent of the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, Dalton Investments, and the Company, to calculate the share value of the Company Shares, and obtained the Share Valuation Report (AGS FAS) as of March 13, 2025. Given that the Tender Offeror and the Company have taken measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest, the interests of the general shareholders of the Company have been adequately taken into account and that the Fairness Opinion has been obtained from Plutus Consulting, the Company’s third party valuation institution, the Special Committee has not obtained an opinion regarding the fairness of the Tender Offer Price from AGS FAS (fairness opinion).

AGS FAS is not a related party of the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, Dalton Investments, or the Company, and does not have any material interests that should be noted in relation to the Transactions, including the Tender Offer.

In addition, the Special Committee has confirmed that there are no issues with the independence and expertise of AGS FAS. AGS FAS will receive only fixed fees, which are payable regardless of whether the Transactions are consummated, and will not receive any contingent fees payable upon the consummation of the Transactions.

For a summary of the Share Valuation Report (AGS FAS), refer to “(ii) Procurement by the Special Committee of a Share Valuation Report from an Independent Third-Party Valuation Institution” under “(3) Matters Relating to Calculation” above.

- (v) Establishment of an Independent Special Committee and Procurement of a Report from such Special Committee by the Company

- (A) Background of the Establishment, Etc.

Given that the Transactions are being conducted as a so-called management buyout (MBO) and that there is a structural conflict of interest, in order to address the issue of structural conflicts of interest and the issue of information asymmetry in the Transactions, eliminate arbitrariness in the decision-making process of the Company’s board of directors, and ensure the fairness, transparency, and objectivity of the Transactions, the Company resolved at its board of directors meeting held on October 17, 2024 to establish the Special Committee, which is composed of members independent of the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, and the Company. The Company, based on the advice of Mori Hamada, has confirmed that the candidates for the members of the Special Committee are independent of the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, and the Company, that they do not have any material interests different from those of the general shareholders with respect to the success or failure of the Transactions, and that they have the qualifications to serve as members. Following this, in order to ensure that the Special Committee is of an appropriate size while maintaining a

balance of knowledge, experience, and ability in the Special Committee as a whole, the Company appointed the following three (3) people as members of the Special Committee (the members of the Special Committee have not changed since it was first established): Mr. Shoji Matsuyama (Independent External Director (Audit Committee Member) of the Company and Certified Public Accountant), Mr. Hirofumi Kurahashi (Independent External Director of the Company and Attorney), and Mr. Hiroataka Goto (Independent External Director (Audit Committee Member) of the Company). In addition, the Special Committee has elected Mr. Shoji Matsuyama as the chairman of the Special Committee by a mutual election of the committee members. Further, the members of the Special Committee will receive only fixed fees, which are payable regardless of whether the Transactions are consummated, and will not receive any contingent fees payable upon the announcement or consummation of the Transactions. Taking into consideration the status of negotiations regarding the Tender Agreement between the Tender Offeror and Dalton Investments, at a meeting of the Special Committee on February 27, 2025, the Special Committee confirmed that there were no issues in regard to the independence of the members of the Special Committee from Dalton Investments.

The Company's board of directors consulted with the Special Committee regarding (A) the reasonableness of the purpose of the Transactions (including whether the Transactions contribute to the enhancement of the corporate value of the Company), (B) the fairness and appropriateness of the procedures relating to the Transactions, (C) the fairness and appropriateness of the terms and conditions of the Transactions, (D) whether the Company's board of directors should express an opinion in favor of the Tender Offer and recommend the shareholders of the Company to tender their shares in the Tender Offer, and (E) in light of the matters stated from (A) to (D), whether the decision by the Company's board of directors to implement the Transactions is detrimental to the interests of the Company's general shareholders (hereinafter, these matters on which the Special Committee was consulted are collectively referred to as the "Consulted Matters"). In addition, when considering the Consulted Matters, the Special Committee decided to consider and decide on the pros and cons of the Transactions from the perspective of whether it would contribute to the enhancement of the corporate value of the Company, and to consider and decide on the appropriateness of the terms and conditions of the Transactions and the fairness of the procedures from the perspective of furthering the interests of the Company's general shareholders. Furthermore, the Company's board of directors has resolved that (i) the decisions of the Company's board of directors regarding the Transactions, including whether to support the Tender Offer, will be made with the utmost respect to the opinion of the Special Committee, and (ii) if the Special Committee determines that the Transactions are not appropriate, the Company's board of directors will not support the Transactions. In addition, the Company's board of directors has resolved to: (a) authorize the Special Committee to be substantially involved in the process of negotiation between the Company and the Tender Offeror (including, where necessary, issuing instructions and making requests with respect to the policy regarding negotiations with the Tender Offeror and negotiating with the Tender Offeror on its own behalf); (b) authorize the Special Committee to appoint its own financial advisor or legal advisor, as necessary (in which case the Company shall bear

the costs) or to appoint or approve (including ex-post facto approval) advisors such as the financial advisors and legal advisors for the Company in making considerations and decisions on the Consulted Matters; (c) authorize the Special Committee to receive from the Company's officers and employees and such other persons as the Special Committee deems necessary all information necessary to consider and make decisions concerning the Consulted Matters; and (d) grant the Special Committee other authorities in relation to such matters as the Special Committee deems necessary so as to consider and make decisions concerning the Transactions.

At the Company's board of directors meeting, such resolutions were unanimously adopted by the Company's directors who participated in the deliberation and resolution (nine (9) out of ten (10) directors of the Company, excluding Mr. Hiroshi Kaneda).

(B) Background of the Consideration

The Special Committee met a total of 17 times, for a total of approximately 26 hours, between November 5, 2024 and March 13, 2025, and carried out careful considerations and discussions with respect to the Consulted Matters by, among other actions, reporting to and sharing information with other members as well as deliberating and making decisions on the relevant matters through e-mail, telephone calls, web conferences, and the like from time to time as necessary between those meetings.

Specifically, on November 5, 2024, the Special Committee confirmed that there were no issues in regard to the independence or expertise of Resona Research Institute, the Company's financial advisor, and Mori Hamada, the Company's legal advisor, and approved their appointments as such, and on November 19, 2024, the Special Committee confirmed that there were no issues in regard to the independence or expertise of Plutus Consulting, the Company's third-party valuation institution, and approved its appointment as such. In addition, the Special Committee confirmed that there were no issues in regard to the independence or fairness of the Company's internal framework for consideration of the Transactions (including the scope of the Company's officers and employees involved in considering, negotiating, and making judgments regarding the Tender Offer and the duties thereof).

Based on explanations received from Mori Hamada and Resona Research Institute, the Special Committee considered the measures to be taken to ensure the fairness of the procedures in the Transactions, and on February 13, 2025, the Special Committee appointed AGS FAS as its own third-party valuation institution after confirming that there were no issues in regard to its independence or expertise.

Taking into consideration the status of negotiations regarding the Tender Agreement between the Tender Offeror and Dalton Investments, at a meeting of the Special Committee on February 27, 2025, the Special Committee confirmed that there were no issues in regard to the independence of the members of the Special Committee, Mori Hamada, the legal advisor of the Company, Resona Research Institute, the financial advisor of the Company, and AGS FAS, the Special Committee's own third-party valuation institution, from Dalton Investments, and at a meeting of the Special Committee on March 6, 2025, the Special Committee confirmed that there were no issues in regard to the

independence of the Company's internal framework for examination and the independence of Plutus Consulting, the Company's third-party valuation institution, from Dalton Investments.

Based on the foregoing, in examining the Consulted Matters, the Special Committee received explanations from the Company regarding matters such as the background of the Transactions, details of its business and its business environment, performance history, principal management issues, and advantages and disadvantages to its business that are expected to result from the Transactions, and asked questions regarding those matters. Further, the Special Committee sent questions in writing to the Tender Offeror and Mr. Hiroshi Kaneda regarding matters such as the background and reasons for proposing the Transactions, the objectives of the Transactions, their evaluation of the Company's business, the terms and conditions of the Transactions, and the management policy after the Transactions and received a written response from the Tender Offeror and Mr. Hiroshi Kaneda. The Special Committee also received explanations directly from the Tender Offeror and Mr. Hiroshi Kaneda regarding matters such as the background for proposing the Transactions and the significance and objectives of the Transactions, and asked questions regarding those matters.

The Special Committee received explanations from the Company and asked questions regarding matters such as the details of the Business Plan that forms the basis for the negotiations with the Tender Offeror, the significant conditions on which it was based, and the process of its preparation, then confirmed the reasonableness of those matters and approved the Business Plan. Based on the foregoing, as stated in "(i) Procurement by the Company of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Institution" and "(ii) Procurement by the Special Committee of a Share Valuation Report from an Independent Third-Party Valuation Institution" in "(3) Matters Relating to Calculation" above, Plutus Consulting, the Company's third-party valuation institution, and AGS FAS, the Special Committee's own third-party valuation institution, conducted the share valuation of the Company Shares based on the details of the Business Plan. The Special Committee received explanations from Plutus Consulting and AGS FAS regarding the valuation methods used in the share valuation of the Company Shares they conducted, the reasons for adopting such valuation methods, details of the valuation using each valuation method, and the significant conditions on which it was based, and then confirmed the reasonableness of those matters after asking questions, deliberating on, and considering those matters

In addition, as stated in "(i) Procurement by the Company of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Institution" in "(3) Matters Relating to Calculation" above, the Company has received the Fairness Opinion from Plutus Consulting, and the Special Committee received explanations from Plutus Consulting and asked questions regarding the procedures for issuing the Fairness Opinion and other matters.

In addition, the Special Committee received timely explanations from the Company and asked questions regarding the status of negotiations pertaining to the transaction terms and conditions of the Transactions, including on the Tender Offer Price between the Company, and the Tender Offeror and Mr. Hiroshi Kaneda. Further, the

Special Committee received explanations from Mori Hamada, the Company's legal advisor, regarding the decision-making methods and processes of the Company's board of directors, and other considerations, including the procedures for the Transactions and asked questions concerning these points.

Further, after the Company received the initial proposal for the Tender Offer Price from the Tender Offeror and Mr. Hiroshi Kaneda on February 6, 2025, each time the Company has received a proposal from the Tender Offeror and Mr. Hiroshi Kaneda regarding the Tender Offer Price, the Special Committee has received timely reports from Resona Research Institute, the Company's financial advisor, on the contents, negotiation procedures, and the like of such proposals. The Special Committee has been deliberating and considering the contents of such proposals based on the opinions provided by Resona Research Institute, and after receiving explanations in advance from Resona Research Institute regarding the Company's negotiation policies with the Tender Offer and Mr. Hiroshi Kaneda and draft responses thereto, the Special Committee has also been internally discussing those negotiation policies and draft responses, approving them after stating opinions thereon as necessary, and then submitting relevant instructions, requests, and the like to Resona Research Institute, which is in charge of the negotiations between the Company and the Tender Offer and Mr. Hiroshi Kaneda. As a result, the Company received proposals from the Tender Offeror on March 13, 2025 which included a proposal setting the Tender Offer Price at 3,580 yen per Company Share, which resulted in the Company receiving a total of 6 price increases, representing a 15.48% increase from the initial price offer (rounded to the second decimal place).

The Special Committee has received explanations from both Resona Research Institute and Mori Hamada, the Company's financial advisor and legal advisor, respectively, and asked questions regarding drafts such as those for this Press Release and has confirmed that sufficient information disclosure pertaining to such drafts will be provided.

(C) Details of the Judgment

As a result of its careful discussions and considerations with respect to the Consulted Matters based on the above discussions and considerations, the Special Committee unanimously approved and submitted a report (the "Report") to the Company's board of directors on March 14, 2025 as summarized below:

- (a) Content of the Report
 - (1) The Special Committee finds that the Transactions will contribute to enhancing the corporate value of the Company and that the objectives of the Transactions are reasonable.
 - (2) The Special Committee finds that sufficient measures to ensure fairness have been taken through procedures to ensure the fairness of the terms and conditions of the Transactions and that the procedures relating to the Transactions are fair and appropriate from the perspective of promoting the interests of the Company's general shareholders.
 - (3) The fairness and appropriateness of the terms and conditions of the Transactions, including the purchase price in the Tender Offer, have been ensured.
 - (4) It is appropriate for the Company's board of directors to express an opinion in support of the Tender Offer and to express an opinion

recommending that the Company's shareholders tender their shares in the Tender Offer.

- (5) Based on (1) through (4) above, the decisions of the Company's board of directors regarding the implementation of the Transactions (i.e., (a) the decision to express an opinion in support of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer and (b) the decision regarding privatization procedures through Squeeze-Out procedures to be conducted after the Tender Offer as part of the Transactions) are not disadvantageous to the Company's general shareholders.

(b) Reasons for the Report

a. Reasonableness of Objectives of the Transactions

i. Business Environment of the Company Group

- In regard to the Company's recognition of the business environment surrounding the Company Group stated in "(ii) Background, Objectives, and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct the Tender Offer" under "(2) Grounds and Reasons for Opinions on the Tender Offer" in "3. Substance of and Grounds and Reasons for Opinions Relating to the Tender Offer" above, the Special Committee has no fundamental objection, but it states that it has the following additional views. First, in regard to the business environment surrounding the Company Group, in the industrial synthetic resin products area, the overall market of the office automation area, which constitutes 50% or more of the Company Group's total sales, is expected to shrink, and there will certainly be impacts from the shift of the production plants of the Company Group's major transaction partners from China to Southeast Asia. In addition, in the automotive and electrical appliance areas in which the Company will focus its efforts moving forward, those areas currently account for a small share of the Company Group's sales (11% for the automotive area and 13% for the electrical appliance area in fiscal year 2023), and it is expected that it will take a reasonable amount of time before these areas increase their contributions to profits. In the housewares area, sales volumes in Japan for the storage products in the housewares area which have been considered as the Company's main products are declining, and it is difficult to expect future expansion in the Japanese market, it is expected to anticipate significant growth in the current form. In addition, in the Japanese housewares area, unstable raw material price fluctuations and high distribution costs are forecast to continue, and amid the resultant pressure on profits, a negative cycle in which raising prices leads to further declines in sales volumes is expected to continue into the future. Further, in the overseas housewares area as well, the Company has still not secured sufficient sales channels, and currently, there are some business locations of the Company's overseas subsidiaries that are only producing low profits and urgently require radical measures, and in the current state, it is difficult to consider that area quickly becoming a pillar of profit of the Company Group.
- Accordingly, the business environment surrounding the Company is extremely severe for each business area, and in the current state, future outlooks are

pessimistic. The Special Committee therefore recognizes that it is necessary to implement radical measures for rehabilitation as soon as possible.

ii. Management Issues of the Company Group

- In regard to the management issues facing the Company Group, the Special Committee shares the same awareness as the Company stated in “(ii) Background, Objectives, and Decision-Making Process Leading to the Tender Offeror’s Decision to Conduct the Tender Offer” and “(c) Judgment” in “(iii) Decision-Making Process Leading to the Company’s Decision to Support the Tender Offer, and the Reasons Therefor,” both under “(2) Grounds and Reasons for Opinions on the Tender Offer” in “3. Substance of and Grounds and Reasons for Opinions Relating to the Tender Offer” above, but under the business environment stated in i. above, although the Company Group is implementing management efforts to enhance corporate value based on the Medium-term Management Plan, the Special Committee believes that considering the severity of the business environment recognized by the Special Committee as stated in i. above, it is difficult to enhance corporate value from a medium- to long-term perspective without implementing drastic management reforms to overcome the above management issues.
- The Special Committee considers that, in order to overcome this difficult situation, it is necessary to start the radical measures that the Company, as well as the Tender Offeror and Mr. Hiroshi Kaneda (hereinafter, the “Tender Offeror, Etc.”), envisage implementing after the Transactions as soon as possible. To do this, decisive decision-making under strong leadership is required, and it can be said that a management structure in which ownership and management by the founding family are united is suited to this.

iii. Significance (Merits) and Demerits of the Transactions

- As stated in “(ii) Background, Objectives, and Decision-Making Process Leading to the Tender Offeror’s Decision to Conduct the Tender Offer” and “(c) Judgment” in “(iii) Decision-Making Process Leading to the Company’s Decision to Support the Tender Offer, and the Reasons Therefor,” both under “(2) Grounds and Reasons for Opinions on the Tender Offer” in “3. Substance of and Grounds and Reasons for Opinions Relating to the Tender Offer” above, the Special Committee finds that the significance (merits) and demerits of the Transactions as recognized by the Company are mostly consistent with those recognized by the Tender Offeror, Etc., and the Special Committee does not disagree with that recognition and finds it to be based on reasonable analysis.
- The Special Committee recognizes that the Company’s largest issue at present is its low-profit structure that produces an ROE of less than 4%, but it would be extremely difficult to implement radical measures to improve long-term profit structures while maintaining a DOE of 2.5% and continuing large-scale share buybacks, and that it would also be difficult for the market to accept temporary suspensions or reductions in those shareholder return initiatives in order to improve profit structure, and the Special Committee finds that it would be difficult or practically impossible to do so while maintaining the Company as listed. Therefore, the Special Committee considers the privatization of the Company Shares through the Transactions, through which it is anticipated that Mr. Hiroshi Kaneda, a member of the founding family, will be able to exercise

strong leadership from a long-term perspective without being bound to the demands of the market, which do not necessarily align with the measures necessary for the Company's long-term growth, to be necessary in order to take radical measures for the Company to achieve long-term profit structure improvements.

- Given on the severity of the business environment surrounding the Company Group recognized by the Special Committee as stated in i. above, the Special Committee believes that the measures anticipated to be implemented by the Company and the Tender Offeror, Etc. after the Transactions (the details of which are as stated in "(ii) Background, Objectives, and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct the Tender Offer" and "(c) Judgment" in "(iii) Decision-Making Process Leading to the Company's Decision to Support the Tender Offer, and the Reasons Therefor," both under "(2) Grounds and Reasons for Opinions on the Tender Offer" in "3. Substance of and Grounds and Reasons for Opinions Relating to the Tender Offer" above) are necessary and urgent in order to enhance the corporate value of the Company Group with a medium- to long-term perspective, and the Special Committee finds that it would be difficult or effectively impossible to promote those measures while maintaining the listing of the Company Shares. Therefore, the Special Committee believes that even taking into account the limited demerits of the Transactions, conducting the Transactions clearly has significance (merits) and is indeed necessary in order to enhance the corporate value of the Company Group over the medium to long term.

iv. Summary

- Based on the above, the Special Committee finds that the Transactions are a valid option for improving the above management issues facing the entire Company Group and will contribute to enhancing the corporate value of the entire Company Group and that the objectives of the Transactions are therefore reasonable.

b. Fairness and Appropriateness of Procedures for the Transactions

- The Special Committee finds that it is composed of three members who are outside directors independent of the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, Dalton Investments, and the Company, that a framework has been ensured under which the Company's board of directors will conduct its decision-making while respecting to the maximum extent the judgment of the Special Committee, and that the Special Committee has been granted the authority, etc. necessary to effectively function as a measure to ensure fairness.
- The Special Committee can be found to have been substantially involved in the process of negotiations regarding the terms and conditions of the Transactions, such as the purchase price, between the Company and the Tender Offeror.
- The Company appointed Plutus Consulting as its third-party valuation institution independent of the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, Dalton Investments, and the Company and obtained the Share Valuation Report (Plutus Consulting) and the Fairness Opinion from Plutus Consulting.

- The Company appointed Mori Hamada as its legal advisor independent of the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, Dalton Investments, and the Company and obtained necessary legal advice from Mori Hamada.
- The Company appointed Resona Research Institute as its financial advisor independent of the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, Dalton Investments, and the Company and obtained financial advice from Resona Research Institute.
- The Special Committee appointed AGS FAS as its third-party valuation institution independent of the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, Dalton Investments, and the Company and obtained the Share Valuation Report (AGS FAS) from AGS FAS.
- The framework for examining the Transactions established internally by the Company was based on advice from Mori Hamada, and the Special Committee approved that framework after confirming that there were no issues in regard to the independence or fairness thereof.
- Since receiving the Declaration of Intent from the Tender Offeror, in order to eliminate issues involving structural conflicts of interest, of the Company's directors, the Company has not permitted Mr. Hiroshi Kaneda, the representative director of the Tender Offeror, to be involved in any way in the process of preparing the business plan on which the valuation of the Company Shares was based or in the process of negotiations regarding the terms and conditions of the Transactions, including the Tender Offer Price, with the Tender Offeror on behalf of the Company, and the Company plans to not permit Mr. Hiroshi Kaneda to be involved in deliberations or resolutions at the meeting of the Company's board of directors that will deliberate on expressing an opinion in regard to the Tender Offer.
- As stated in "(iv) Agreement Regarding the Tender Offer Period" under "4. Material Agreements Concerning the Tender Offer" below, although the Company plans to execute an agreement with the Tender Offeror regarding the Tender Offer Period, the Tender Offeror and the Company do not plan to include therein any agreement, etc. that contains a transaction protection clause that prohibits the Company from having contact with counter offerors or any agreement restricting counter offerors from having contact with the Company, and it can be found that the Tender Offeror and the Company have given consideration to ensuring the fairness of the Tender Offer by not impeding the opportunity for counter offers, etc.
- The purchase period in the Tender Offer is planned to be set to 30 business days, which is a relatively long period in comparison to the minimum period specified in laws and regulations, and doing so ensures an opportunity for the Company's shareholders to make appropriate judgments regarding whether or not to tender their shares in the Tender Offer and an opportunity for counter offerors to conduct counter offers for the Company Shares, and therefore, the Special Committee finds that an indirect market check will be performed. Although the Company has not performed an active market check that investigates whether there are potential offerors in the market, it is not easy to do so from the perspective of information management and due to other

reasons, and as stated above, it can be found that substantial measures to ensure fairness have been taken in regard to the Transactions and that sufficient consideration has been given to the interests of the Company's shareholders through fair procedures.

- The Tender Offeror has not set the minimum number of tendered shares to be purchased in the Tender Offer at a majority of minority, but taking into account the high combined Ownership Ratio of the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, and Dalton Investments (which plans to agree to tender its shares), each of which should not be included in the minority in the Transactions, it is assumed that the minimum number of tendered shares to be purchased would be set at a high level if the majority of minority approach was adopted in the Transactions. There are concerns that setting the minimum number of tendered shares to be purchased at a high level would impede the consummation of the Transactions, which are expected to contribute to enhancing the corporate value of the Company Group, and doing so can therefore be considered to not contribute to the interests of general shareholders; accordingly, the Special Committee finds a certain degree of reasonableness in the Tender Offeror's explanation to that effect. In addition, given that it can be found that substantial measures to ensure fairness have been taken in regard to the Transactions and that sufficient consideration has been given to the interests of the Company's shareholders through fair procedures, the Special Committee does not consider it necessary to view the Tender Offer as failing to ensure an opportunity for shareholders to make appropriate judgments due only to a majority of minority condition not being set.
- The Company plans to receive advice from Resona Research Institute and Mori Hamada and conduct substantial information disclosure in accordance with financial instruments and exchange laws and regulations and the timely disclosure standards of the Tokyo Stock Exchange while appropriately taking into consideration the "Fair M&A Guidelines" published by the Ministry of Economy, Trade and Industry on June 28, 2019.
- In the Transactions, if the Tender Offeror fails to acquire all of the Company Shares (excluding the Company Shares held by the Tender Offeror, the treasury shares held by the Company, and the Shares Agreed Not to Be Tendered) in the Tender Offer, the Squeeze-Out Procedures will be implemented promptly after the completion of the settlement of the Tender Offer. It can be said that the legality of the Squeeze-Out Procedures has also been ensured considering that no issue of coerciveness arises in the Transactions because methods which cannot ensure the right to claim for purchase of shares for the Company's shareholders will be not employed, and that even if the general shareholders receive consideration from the Tender Offer or the Squeeze-Out Procedures to be implemented after the completion of the Tender Offer, it will be announced that the receipt of the amount of consideration equal to the Tender Offer Price will be ensured.
- In addition to the above, there are no facts that presume that the Company was unduly influenced by the Tender Offeror in the course of discussions, deliberations, and negotiations concerning the Transactions. The Tender Offer

Period will end at a close point of time prior to May 9, 2025, which is the scheduled announcement date of the Company's full-year financial results for the fiscal year ending March 2025. As stated in "(iv) Agreement Concerning the Tender Offer Period" under "4. Material Agreements Concerning the Tender Offer" below, given that the agreement concerning the Tender Offer Period will stipulate that the Tender Offeror will extend the Tender Offer Period in certain cases at the request of the Company in the event that, during the Tender Offer Period, the Company becomes aware of the occurrence or possibility of the occurrence of information that the Company reasonably determines to be important investment information for its shareholders to decide whether to tender their shares in the Tender Offer, it can be said that the Company can disclose such information and that the opportunity for the Company's shareholders to make an appropriate decision on whether to tender their shares in the Tender Offer has been secured. Therefore, the Tender Offer Period, which has been set to end at a close point of time prior to May 9, 2025, which is the scheduled announcement date of the Company's full-year financial results for the fiscal year ending March 2025, does not give rise to any question regarding the fairness thereof.

- Based on the above, the Special Committee determined that sufficient measures to ensure fairness have been taken through procedures to ensure the fairness of the terms and conditions of the Transactions and that the procedures relating to the Transactions are fair and appropriate from the perspective of promoting the interests of the Company's general shareholders.

- c. Fairness and appropriateness of the terms and conditions of the Transactions
 - The Special Committee received explanations from Plutus Consulting, a third-party valuation institution independent of the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, Dalton Investments, and the Company, on the valuation methods used in the share valuation of the Company Shares they conducted, the reasons for adopting such valuation methods, details of the valuation using each valuation method, and the significant conditions on which it was based, and also asked questions and deliberated on such matters. As a result, the Special Committee believes that the market price analysis, the comparable company analysis, and the DCF Method, which are the methods adopted by Plutus Consulting in calculating the share value, are generally accepted and reasonable methods in light of current practice. In addition, the Special Committee believes that the explanations of the methods for classifying business and non-business assets, the methods for calculating corporate and other taxes, the basis for the discount rate, and the concept of necessary working capital in the DCF Method are also reasonable and that the calculation contents are appropriate in light of current practice. Accordingly, the Special Committee believes that the calculation contents in the Share Valuation Report (Plutus Consulting) are reasonable.
 - The Special Committee received explanations from AGS FAS, the Special Committee's third-party valuation institution independent of the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, Dalton Investments, and the Company, on the valuation methods used in the share

valuation of the Company Shares they conducted, the reasons for adopting such valuation methods, details of the valuation using each valuation method, and the significant conditions on which it was based, and also asked questions and deliberated on such matters. As a result, the Special Committee believes that the market price analysis, the comparable company analysis, and the DCF Method, which are the methods adopted by AGS FAS, are generally accepted and reasonable methods in light of current practice. In addition, the Special Committee believes that the explanations of the methods for classifying business and non-business assets, the methods for calculating corporate and other taxes, the basis for the discount rate, and the concept of necessary working capital in the DCF Method are also reasonable, and that the calculation contents are appropriate in light of current practice. Accordingly, the Special Committee believes that the calculation contents in the Share Valuation Report (AGS FAS) are reasonable.

- In regard to the business plan that forms the basis for calculation using the DCF Method, at a meeting of the Special Committee on November 19, 2024, the Special Committee confirmed that the Business Plan to be presented to the Tender Offeror was prepared by persons independent of the Tender Offeror and the Shareholders Agreeing Not to Tender Shares, received explanations regarding matters such as the details of the Business Plan, the significant conditions on which it was based, and the process of its preparation, confirmed the reasonableness of those matters, and approved the Business Plan. As stated above, in regard to the business environment surrounding the Company Group, the overall market of the office automation area, which constitutes 50% or more of the Company Group's total sales, is expected to shrink, and there will certainly be impacts from the shift of the production plants of the Company Group's major transaction partners from China to Southeast Asia. In the housewares area, it is difficult to expect future expansion in the market in Japan or to anticipate significant growth in the current form. In the overseas housewares area as well, the Company has still not secured sufficient sales channels, and in the current state, it is difficult to consider that area quickly becoming a pillar of profit in the Company Group. The main factors placing pressure on profits in the domestic businesses due to unstable raw material price fluctuations and high distribution costs are expected to continue going forward. Given the severe business environment in which the Company finds itself, in terms of the Business Plan, it can be said that the Company cannot expect significant growth in either sales or operating income in the future. Because the actual figures for the fiscal year ending December 2024 were sales of 76 billion yen and operating income of 1.59 billion yen, the Business Plan, which calls for sales of 111.5 billion yen and operating income of 5.2 billion yen in the fiscal year ending March 2029, is considered to be highly reasonable from the perspective of securing the interests of the Company's minority shareholders.
- As stated above, there are no particular unreasonable points in the preparation procedures or the details of the Business Plan, which forms the basis for the calculation using the market price analysis and the DCF Method in the Share Valuation Report (Plutus Consulting) and Share Valuation Report (AGS

FAS), and in light of the valuation of the share value of the Company Shares in the Share Valuation Report (Plutus Consulting), the Tender Offer Price exceeds the range of the upper limit of the calculation results using the market price analysis and the comparable company analysis and is above the median of the calculation results based on the DCF Method. Based on these facts, the Tender Offer Price is considered to be at a reasonable level as the interests to be enjoyed by the Company's general shareholders. In addition, in light of the valuation of the share value of the Company Shares in the Share Valuation Report (AGS FAS), the Tender Offer Price exceeds the range of the upper limit of the calculation results using the market price analysis and is above the median of the calculation results based on the DCF Method. Based on these facts, the Tender Offer Price is considered to be at a reasonable level as the interests to be enjoyed by the Company's general shareholders.

- The Company has obtained the Fairness Opinion from Plutus Consulting, and Plutus Consulting has stated its opinion to the effect that the Tender Offer Price is fair to the Company's minority shareholders from a financial perspective.
- The Fairness Opinion was issued by Plutus Consulting, which possesses sophisticated expertise in finance, from an independent position based on the result of the Company's share valuation calculated after receiving disclosures of information such as the current state of business and future business plan from the Company and receiving explanations thereof, as well as question-and-answer sessions with the Company concerning the outline, background, and purpose of the Tender Offer, examinations of factors such as the Company's business environment, the economy, markets, and financial landscape conducted to the extent deemed necessary by Plutus Consulting, and the review procedures carried out by an examination committee independent of Plutus Consulting's engagement team, and no unreasonable points were found in the Fairness Opinion. In addition, as stated above, no unreasonable points were found in the method and contents of the share valuation conducted by Plutus Consulting, which was used as a reference when submitting the Fairness Opinion. Therefore, the Special Committee found no unreasonable points in the issuance procedures and contents of the Fairness Opinion.
- Using March 13, 2025, the business day immediately preceding the announcement date of the Tender Offer, as a reference date, the Tender Offer Price of 3,580 yen includes a premium of 36.64% on 2,620 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on the reference date, a premium of 35.55% on 2,641 yen, the simple average closing price for the preceding one-month period, a premium of 29.95% on 2,755 yen, the simple average closing price for the preceding three-month period, and a premium of 27.13% on 2,816 yen, the simple average closing price for the preceding six-month period, and when compared to the medians of premiums in 74 MBO transactions for the purpose of taking the Company private that were announced on or after June 28, 2019, the date on which the Ministry of Economy, Trade and Industry published the Fair M&A Guidelines, and in which the tender offer was consummated on or before January 31, 2025 (however, excluding transactions in which the Company was insolvent and tender offers in which the price represents a discount on share

value), can not necessarily be considered to be at a high level; however, given the high degree of necessity of the Transactions in regard to the corporate value of the Company Group based on the severe business and management environment surrounding the Company, it is not necessarily appropriate to determine that the Transactions should not be conducted if the premiums are not at the same level as the medians of premiums in other MBO transactions, and as stated in (i) above, the premiums can be considered to not be unreasonable in light of the results of the valuation of the Company Shares stated in the Share Valuation Report (Plutus Consulting) performed based on the Business Plan, which reflects that environment, and furthermore, as stated above, the Tender Offer Price includes a premium of 25.00% or more on the closing price of the Company Shares on the reference date, which is the day immediately preceding the announcement date of the Tender Offer, and on the simple average closing prices for the preceding one-month, three-month, and six-month periods; therefore, the premiums included in the Tender Offer Price can be considered to have reached a certain level.

- As stated in “(B) Process of Consideration and Negotiations” in “(iii) Decision-Making Process Leading to the Company’s Decision to Support the Tender Offer, and the Reasons Therefor” under “3. Substance of and Grounds and Reasons for Opinions Relating to the Tender Offer” above, the Company and the Special Committee have continuously engaged in discussions and negotiations with the Tender Offeror, Etc.; therefore, it can be evaluated that earnest and continuous discussions and negotiations between the Special Committee and the Tender Offeror, Etc. have been conducted.
- In the Transactions, the Tender Offeror, Etc. proposed a two-step acquisition method as described in “(i) Overview of the Tender Offer” in “(2) Grounds and Reasons for Opinion on the Tender Offer” under “3. Substance of and Grounds and Reasons for Opinions Relating to the Tender Offer” above.
- The method of conducting a tender offer as the first step and a share consolidation as the second step, is a reasonable method commonly adopted in this type of transaction for taking a company private, especially in a going-private transaction conducted in manner where existing shareholders above a certain standard with strong mutual connections will continue to be shareholders of the Company. In addition, it will be announced that it is ensured that general shareholders will receive consideration equal to the Tender Offer Price, regardless of whether they receive consideration through the Tender Offer or the share consolidation to be conducted after the completion of the Tender Offer. It will also be possible for the Company’s shareholders to dispute the price of their shares by filing a petition for the determination of the purchase price after requesting the purchase of their shares.
- While it may be possible to conduct a share exchange as a method of transaction for making the Company a wholly-owned subsidiary, since the Tender Offeror is a private company and its shares cannot be used as consideration, and given that a share exchange with cash as consideration would be inefficient from the perspective of taxation, the Special Committee does not believe that it is reasonable to choose the method of a share exchange. Therefore, no unreasonable points were found in the method of the

Transactions.

Based on the above, the Special Committee determined that the fairness and appropriateness of the terms and conditions of the Transactions, including the purchase price in the Tender Offer, have been ensured from the perspective of promoting the interests of the Company's general shareholders.

- d. Whether the Company's board of directors should express an opinion in support of the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer

As stated in a. above, the Special Committee finds that the Transactions will contribute to enhancing the corporate value of the Company and that the objectives of the Transactions are reasonable. As stated in b. above, the Special Committee also finds that the interests of the Company's general shareholders have been fully taken into account because fair and appropriate procedures have been performed, and as stated in c. above, the fairness and appropriateness of the terms and conditions of the Transactions, including the purchase price in the Tender Offer, have been ensured.

Therefore, the Special Committee believes that it is appropriate for the Company's board of directors to express an opinion in support of the Tender Offer and to express an opinion recommending that the Company's shareholders tender their shares in the Tender Offer.

- e. Whether the decisions of the Company's board of directors regarding the implementation of the Transactions is disadvantageous to the Company's general shareholders based on the points listed in a. through d. above

As stated in a. above, the Special Committee finds that the Transactions will contribute to enhancing the corporate value of the Company and that the objectives of the Transactions are reasonable. As stated in b. above, the interests of the Company's general shareholders have been fully taken into account because fair and appropriate procedures have been performed, and as stated in c. above, the fairness and appropriateness of the terms and conditions of the Transactions, including the purchase price in the Tender Offer, have been ensured.

Therefore, the Special Committee believes that the decisions of the Company's board of directors regarding the Transactions (i.e., (a) the decision to express an opinion in support of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer and (b) the decision regarding privatization procedures through Squeeze-Out procedures to be conducted after the Tender Offer as part of the Transactions) are not disadvantageous to the Company's general shareholders.

- (vi) Establishment by the Company of an Independent Consideration Framework

As stated in "(iii) Decision-Making Process Leading to the Company's Decision to Support the Tender Offer, and the Reasons Therefor" under "(2) Grounds and Reasons for Opinions on the Tender Offer" above, in order to address the issue of structural conflicts of interest and the issue of information asymmetry in the Transactions, eliminate arbitrariness in the decision-making process of the Company's board of directors, and ensure the fairness,

transparency, and objectivity of the Transactions, the Company has established an internal structure to review, negotiate, and make decisions concerning the Transactions, independently from the Tender Offeror and the Shareholders Agreeing Not to Tender Shares. After its receipt of the Declaration of Intent from the Tender Offeror on October 15, 2024, from the perspective of eliminating structural conflict of interest issues, the Company decided, in its position, not to have Mr. Hiroshi Kaneda, the representative director of the Tender Offeror, be involved in the process of creating the Business Plan that forms the basis for the valuation of the Company Shares or the process of negotiating with the Tender Offeror the terms and conditions of the Transactions, including the Tender Offer Price. Further, the entire review structure consists solely of 13 officers and employees (meaning all nine (9) directors excluding Mr. Hiroshi Kaneda and four (4) employees) who have been deemed to be independent of the Tender Offeror, the Shareholders Agreeing Not to Tender Shares, and Dalton Investments, and such treatment has been maintained up until today. Further, in addition to such treatment, the review structure for the Transactions established within the Company, specifically, the scope and duties of the officers and employees who are involved in the considerations, negotiations, and decision-making concerning the Transactions (including duties requiring a high degree of independence such as the preparation of the Business Plan which served as the basis for evaluating the share value of the Company), are based on the advice obtained from Mori Hamada, and the Special Committee has acknowledged that the review structure is free from any issues regarding its independence.

- (vii) Unanimous Approval by All of the Non-Interested Directors (including Audit Committee Members) of the Company

By (a) taking into account the advice from a financial perspective received from Resona Research Institute and Plutus Consulting, the content of the Share Valuation Report (Plutus Consulting) and the Fairness Opinion obtained from Plutus Consulting on March 13, 2025, and the legal advice on the points to be noted in decision-making for the Transactions, including the Tender Offer, received from Mori Hamada and (b) respecting to the utmost extent the content of the Report submitted by the Special Committee, the Company conducted careful deliberations and considerations from perspectives including whether the Transactions would contribute to the enhancement of the corporate value of the Company and whether the terms and conditions of the Transactions were appropriate.

As a result, as stated in “(iii) Decision-Making Process Leading to the Company’s Decision to Support the Tender Offer, and the Reasons Therefor” under “(2) Grounds and Reasons for Opinions on the Tender Offer” above, at the board of directors meeting held today, all directors of the Company participating in the deliberations and resolutions (nine (9) out of ten (10) directors of the Company, excluding Mr. Hiroshi Kaneda) determined that (a) the Transactions, including the Tender Offer, would contribute to the enhancement of the corporate value of the Company, (b) the transaction terms and conditions of the Transactions, including the Tender Offer Price (3,580 yen), were reasonable, and (c) the Tender Offer would offer a reasonable opportunity to the shareholders of the Company to sell their shares, and they unanimously adopted a resolution to express an opinion in support of the Tender Offer and to recommend that all shareholders of the Company tender their shares in the Tender Offer.

- (viii) Securing Objective Conditions to Ensure the Fairness of the Tender Offer

The Tender Offeror set the purchase period for the Tender Offer (hereinafter, the “Tender Offer Period”) at 30 business days, while the minimum period required by laws and regulations is 20 business days. The Tender Offeror intends to ensure the fairness of the Tender Offer Price by setting a relatively long Tender Offer Period in comparison to the minimum period required by laws and regulations to ensure that all of the shareholders of the Company have an appropriate opportunity to consider and decide whether to tender their shares in the Tender Offer and to ensure that any counter offeror has an opportunity to make a counter offer for the Company Shares.

The Tender Offeror and the Company did not enter into any agreement that may restrict the Company from contacting any persons proposing a counter offer, including any agreement providing a transaction protection clause that may restrict the Company from contacting a person proposing a counter offer. In these ways, the Tender Offeror has given consideration to ensuring the fairness of the Tender Offer by securing an opportunity for a counter offer and setting the Tender Offer Period as mentioned above.

4. Matters Relating to Material Agreements Concerning the Tender Offer

(I) Tender/Non-Tender Agreements

The Tender Offeror entered into the Tender/Non-Tender Agreements with Mr. Hiroshi Kaneda and Mr. Yasuichi Kaneda on March 14, 2025. The content of the Tender/Non-Tender Agreements is as follows.

(a) Agreement on tendering in the Tender Offer

Mr. Hiroshi Kaneda has agreed to tender 101,000 shares (Ownership Ratio: 0.50%) of the Company Shares held by him in the Tender Offer, and Mr. Yasuichi Kaneda has agreed to tender 281,000 shares (Ownership Ratio: 1.39%) of the Company Shares held by him in the Tender Offer. There are no conditions precedent to the tender by Mr. Hiroshi Kaneda and Mr. Yasuichi Kaneda.

(b) Agreement on not tendering in the Tender Offer

Mr. Hiroshi Kaneda has agreed not to tender 199,771 shares (Ownership Ratio: 0.99%) of the Company Shares held by him in the Tender Offer, and Mr. Yasuichi Kaneda has agreed not to tender 559,716 shares (Ownership Ratio: 2.77%) of the Company Shares held by him in the Tender Offer.

(c) Agreement on exercise of voting rights represented by the Company Shares

If the Tender Offeror is unable to acquire all of the Company Shares (excluding the Company Shares held by the Tender Offeror, treasury shares held by the Company and the Shares Agreed Not to Be Tendered) in the Tender Offer even after the Tender Offer is consummated, the Tender Offeror intends to request that the Company, after the consummation of the Tender Offer, include the following matters in the agenda of the Extraordinary Shareholders’ Meeting in order to ensure that only the Tender Offeror and the Shareholders Agreeing Not to Tender Shares will be shareholders of the Company: (a) a proposal to implement the Share Consolidation and (b) a proposal to amend the articles of incorporation, subject to the Share Consolidation becoming effective, for the purpose of abolishing the provision regarding the number of shares constituting one share unit, as well as other matters considered reasonably necessary for the implementation of the Squeeze-Out Procedures. Mr. Hiroshi Kaneda and Mr. Yasuichi Kaneda intend to vote in favor of each of the above proposals by exercising the voting rights represented by the Shares Agreed Not to Be Tendered.

(d) Agreement on share lending

In order to avoid, to the extent possible, the case where there are shareholders of the

Company (excluding the Tender Offeror and the Shareholders Agreeing Not to Tender Shares) who hold Company Shares in a number equal to or greater than the smallest number of Company Shares held by either the Tender Offeror or any of the Shareholders Agreeing Not to Tender Shares on the effective date of the Share Consolidation, and to enhance the stability of the Squeeze-Out Procedures, each of Mr. Hiroshi Kaneda and Mr. Yasuichi Kaneda has agreed to execute the Share Lending Transaction with the other Shareholders Agreeing Not to Tender Shares with effect before the Share Consolidation becomes effective, if requested by the Tender Offeror. The share-lending fee and other terms have yet to be determined.

(II) Non-Tender Agreements

The Tender Offeror entered into the Non-Tender Agreements with the Shareholders Agreeing Not to Tender Any Shares on March 14, 2025. The content of the Non-Tender Agreements is as follows.

(a) Agreement on not tendering in the Tender Offer

The Shareholders Agreeing Not to Tender Any Shares have agreed not to tender all of the Company Shares held by them (3,114,820 shares, Ownership Ratio: 15.58%) in the Tender Offer.

(b) Agreement on exercise of voting rights represented by the Company Shares

If the Tender Offeror is unable to acquire all of the Company Shares (excluding the Company Shares held by the Tender Offeror, treasury shares held by the Company and the Shares Agreed Not to Be Tendered) in the Tender Offer even after the Tender Offer is consummated, the Tender Offeror intends to request that the Company, after the consummation of the Tender Offer, include the following matters in the agenda of the Extraordinary Shareholders' Meeting in order to ensure that only the Tender Offeror and the Shareholders Agreeing Not to Tender Shares will be shareholders of the Company: (a) a proposal to implement the Share Consolidation and (b) a proposal to amend the articles of incorporation, subject to the Share Consolidation becoming effective, for the purpose of abolishing the provision regarding the number of shares constituting one share unit, as well as other matters considered reasonably necessary for the implementation of the Squeeze-Out Procedures. The Shareholders Agreeing Not to Tender Any Shares have agreed to vote in favor of each of the above proposals by exercising the voting rights represented by the Shares Agreed Not to Be Tendered.

(c) Agreement on share lending

In order to avoid, to the extent possible, the case where there are shareholders of the Company (excluding the Tender Offeror and the Shareholders Agreeing Not to Tender Shares) who hold Company Shares in a number equal to or greater than the smallest number of Company Shares held by either the Tender Offeror or any of the Shareholders Agreeing Not to Tender Shares on the effective date of the Share Consolidation, and to enhance the stability of the Squeeze-Out Procedures, each Shareholder Agreeing Not to Tender Any Shares has agreed to execute the Share Lending Transaction with the other Shareholders Agreeing Not to Tender Shares with effect before the Share Consolidation becomes effective, if requested by the Tender Offeror. The share-lending fee and other terms have yet to be determined.

(III) Tender Agreement

The Tender Offeror entered into the Tender Agreement with Dalton Investments on March 14, 2025, pursuant to which Dalton Investments agreed to tender all of the Company Shares held by it (3,699,700 shares; Ownership Ratio: 18.33%) in the Tender Offer; however, if (i) a third party other

than the Tender Offeror commences a competing tender offer at a purchase price higher than the Tender Offer Price and (ii) the special committee established by the board of directors of the Company submits a report recommending that the board of directors of the Company support the competing tender offer and the Company actually expresses an opinion in support of the competing tender offer, Dalton Investments may request discussions with the Tender Offeror regarding a change in the purchase price only if Dalton Investments is not in breach of any of its obligations under the Tender Agreement, and if the Tender Offeror does not change the Tender Offer Price to an amount equal to or greater than the tender offer price in such competing tender offer by the earlier of (i) the date that is seven (7) business days after the date on which Dalton Investments requested discussions or (ii) the business day immediately preceding the last day of the Tender Offer Period, the foregoing provisions shall not apply. There are no conditions precedent to the tender by Dalton Investments.

Under the Tender Agreement, Dalton Investments agrees that (i) Dalton Investments will not, during the period from the date of execution of the Tender Agreement to the Settlement Commencement Date, directly or indirectly take any action that competes, contradicts or conflicts with or may compete, contradict or conflict with the Tender Offer or any other transaction contemplated by the Tender Agreement, and if Dalton Investments receives any proposal from a third party regarding such a transaction, Dalton Investments will immediately notify the Tender Offeror of the fact and details thereof and will consult with the Tender Offeror in good faith; (ii) except as expressly set forth in the Tender Agreement, Dalton Investments will not transfer, pledge or otherwise dispose of all or any part of the Shares Agreed to Be Tendered (including, but not limited to, tendering the shares in a tender offer other than the Tender Offer) and will not acquire the Company Shares or any rights pertaining to the Company Shares; (iii) during the period from the date of execution of the Tender Agreement to the Settlement Commencement Date, Dalton Investments will not exercise its right to demand the calling of, propose an agenda item for or submit a proposal at a shareholders' meeting of the Company or any other rights of the shareholders of the Company; (iv) at any shareholders' meeting of the Company to be held during the period from the date of execution of the Tender Agreement to the Settlement Commencement Date, if (a) a proposal for a dividend or other disposition of surplus, (b) a proposal relating to a shareholder proposal or (c) a proposal that, if approved, would or could reasonably be expected to have a material effect on the financial condition, results of operations, cash flows, business, assets, liabilities or future earnings plans or forecasts of the Company is brought before such shareholders' meeting, Dalton Investments will, at such shareholders' meeting, exercise the voting rights represented by the Shares Agreed to Be Tendered against such proposal; and (v) at any shareholders' meeting of the Company to be held where the record date for exercise of rights is a day falling on or before the Settlement Commencement Date, Dalton Investments will exercise the voting rights represented by the Shares Agreed to Be Tendered in accordance with the instructions of the Tender Offeror.

Other than the Tender Agreement, there is no agreement between the Tender Offeror and Dalton Investments with respect to the Transactions, and there is no benefit to be granted to Dalton Investments other than the payment of the Tender Offer Price.

(IV) Agreement on Tender Offer Period

The Tender Offeror entered into an agreement with the Company on March 14, 2025 regarding the Tender Offer Period.

Under the agreement, it is agreed that (i) during the Tender Offer Period, if the Company becomes aware of the occurrence or possibility of the occurrence of information that it reasonably determines to be important investment information for its shareholders to decide whether to tender their shares

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in the Tender Offer (which shall mean information regarding the consolidated business results for the fiscal year ending March 2025, and shall include, but not be limited to, the case where a considerable difference is expected to arise in the actual consolidated business results compared to the most recently announced forecasted consolidated business results for the fiscal year ending March 2025; the “Disclosure Required Investment Information”), it shall promptly notify the Tender Offeror of the details to the extent practicable; (ii) if such notification is made, the Company and the Tender Offeror shall consult in good faith on how to respond; (iii) if the Company reasonably determines that there is no change in the applicability of the Disclosure Required Investment Information even after considering the results of such consultation, it may disclose the Required Disclosed Investment Information regardless of whether there is a disclosure obligation under the laws and regulations, etc.; (iv) if the Company discloses the Disclosure Required Investment Information, it will do so no later than eleven (11) business days before the last day of the Tender Offer Period, to the extent reasonably practicable; and (v) in the case where the Target Company intends to disclose the Disclosure Required Investment Information, if the scheduled date of such disclosure is within ten (10) business days before the last day of the Tender Offer Period, and it is reasonably recognized that, in view of the nature and importance of the Disclosure Required Investment Information to be disclosed, an extension of the Tender Offer Period is necessary from the perspective of enabling the shareholders of the Target Company to properly decide whether or not to tender their shares in the Tender Offer, the Target Company may, in accordance with the procedures prescribed by laws and regulations, request that the Tender Offer Period be extended to a date that is ten (10) business days after the scheduled date of disclosure, and the Tender Offeror, if it receives such a request, will, in accordance with the procedures prescribed by laws and regulations, extend the Tender Offer Period to the requested date as soon as practicable, provided that such extension is possible under laws and regulations..

5. Granting of Benefits by the Tender Offeror or Other Specially Related Persons

N/A

6. Policy of Response to Basic Policies Relating to Company Control

N/A

7. Questions for the Tender Offeror

N/A

8. Request for Extension of the Tender Offer Period

N/A

9. Future Prospects

See “3. Substance of and Grounds and Reasons for Opinions Relating to the Tender Offer” for “(d) Post-Tender Offer Managerial Policy” under “(2) Grounds and Reasons for Opinions on the Tender Offer,” “(4) Expectations for Delisting and Reasons Therefor,” and “(5) Post-Tender Offer Reorganization and Other Policies (Matters Relating to the ‘Two-Step Acquisition’).”

10. Other

(1) Announcement of “Notice Regarding Revision of Final Dividend Forecast for the Fiscal Year Ending March 2025 (Cancellation of Dividend) and Abolishment of Shareholder Benefit Program”

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As stated in the “Notice Regarding Revision of Final Dividend Forecast for the Fiscal Year Ending March 2025 (Cancellation of Dividend) and Abolishment of Shareholder Benefit Program” released today, at the board of directors meeting held today, the Company passed a resolution to revise its dividend forecast for the fiscal year ending March 2025, to not distribute any final dividends for the fiscal year ending March 2025, and to abolish the shareholder benefit program for the fiscal year ending March 2025. See the notice for details.

- (2) Announcement of “Notice of Revised Earnings Forecast for the Fiscal Year Ending March 2025”

The Company issued a release today, titled “Notice of Revised Earnings Forecast for the Fiscal Year Ending March 2025.” See the notice for details.

End

(Reference) Press release dated March 14, 2025 and titled “Notice Regarding Commencement of Tender Offer for the Shares of Tenma Corporation (Securities Code: 7958)” (attached)

March 14, 2025

To whom it may concern

Company name: FHL Holdings Inc.

Representative: Hiroshi Kaneda, Representative Director

Notice Regarding Commencement of Tender Offer for the Shares of Tenma Corporation (Securities Code: 7958)

FHL Holdings Inc. (the “Tender Offeror”) hereby announces that, today, it has decided to acquire all of the shares of common stock of Tenma Corporation (Securities code: 7958; Prime Market of the Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”); the “Target Company”) (the “Target Company Shares”) (excluding the Target Company Shares held by the Tender Offeror, the treasury shares held by the Target Company, and the Shares Agreed Not to Be Tendered (as defined below; the same shall apply hereinafter)) through a tender offer (the “Tender Offer”) in accordance with the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended).

The Tender Offeror is a stock company (*kabushiki kaisha*) established on August 27, 2018, and as of today, it is principally engaged in the investment business and is the asset management company of the Target Company’s founding family which primarily owns the Target Company Shares. As of today, Mr. Hiroshi Kaneda, who is a director and a founding family member of the Target Company (“Mr. Hiroshi Kaneda”), and Ms. Soo Jung Lee, Mr. Hiroshi Kaneda’s spouse, serve as the representative director and own all of the issued shares of the Tender Offeror. As of today, the Tender Offeror is a major shareholder and the second largest shareholder of the Target Company (as of September 30, 2024; hereinafter the same shall apply to the order of the shareholders (Note 2)), holding 2,786,000 shares of the Target Company Shares (Ownership Ratio (Note 1): 13.80%) listed on the Prime Market of the Tokyo Stock Exchange. In addition, Kaneda Kosan Corporation (“Kaneda Kosan”), which is wholly owned by the Tender Offeror and whose representative director is Mr. Hiroshi Kaneda, is a major shareholder and the largest shareholder of the Target Company, holding 2,924,120 shares of the Target Company Shares (Ownership Ratio: 14.49%), and Mr. Hiroshi Kaneda holds 300,771 shares (Note 3) of the Target Company Shares (Ownership Ratio: 1.49%).

(Note 1) “Ownership Ratio” means the ratio (rounded off to the second decimal place; hereinafter the same shall apply to the calculation of the Ownership Ratio) of the number of shares held by a relevant shareholder out of the number of shares (20,182,637 shares) (the “Base Number of Shares”) calculated by subtracting the number of the treasury shares owned by the Target Company as of February 28, 2025 (i.e., 2,130,389 shares; the number of such treasury shares does not include 237,504 shares of the Target Company Shares (Ownership Ratio: 1.18%) and 13,000 shares of the Target Company Shares (Ownership Ratio: 0.06%), owned by Sumitomo Mitsui Trust Bank, Limited as trust assets for the stock granting trust for officers and as trust assets for the stock granting trust for employees, respectively, under the stock compensation plan for employees and officers of the Target Company; hereinafter the same shall apply to the number of the treasury shares owned by the Target Company) from the total number of issued shares of the Target Company as of the same date (i.e., 22,313,026 shares) set forth in the “Share Buyback Report” as disclosed by the Target Company on March 11, 2025.

(Note 2) According to “(5) Status of Major Shareholders” of “1. Status of Shares, etc.” of “III. Status of the Filing Company” of “Part I. Corporate Information” in the Semi-annual Report for the 77th Fiscal Year filed by the Target Company on November 8, 2024 (the “Target Company’s Semi-Annual Report”), a large volume holding report (a change report) was filed with respect to the Target Company Shares by Dalton Investments, Inc. (“Dalton Investments”); however, as the Target Company was unable to confirm the number of shares actually held by Dalton Investments as of September 30, 2024, the order of

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shareholders in this press release is based on the order of percentage of shares held as stated in the “Percentage of shares held to the total number of issued shares (excluding treasury shares)” of “(5) Status of Major Shareholders” of “1. Status of Shares, etc.” of “III. Status of the Filing Company” of “Part I. Corporate Information” in the Target Company’s Semi-Annual Report. The number of shares held by Dalton Investments as of today, as reported by Dalton Investments, is 3,699,700 shares (Ownership Ratio: 18.33%).

(Note 3) 300,771 shares owned by Mr. Hiroshi Kaneda (Ownership Ratio: 1.49%) does not include the number of the Target Company Shares corresponding to the number of points held by him as of today under the stock compensation plan (6,821 shares), as the provisions concerning the stock granting trust provide that the Target Company Shares under the stock compensation plan will, in principle, be delivered upon retirement from office.

The Tender Offeror has decided to implement the Tender Offer as part of the transactions for the purposes of acquiring all of the Target Company Shares listed on the Prime Market of the Tokyo Stock Exchange (excluding the Target Company Shares held by the Tender Offeror, the treasury shares held by the Target Company and the Shares Agreed Not to Be Tendered) and privatizing the Target Company Shares (the “Transactions”).

The Transactions fall under the category of a so-called “management buyout” (MBO) (Note 4) and Mr. Hiroshi Kaneda will continue engaging in the management of the Target Company after the Transactions. As of today, there is no agreement between the Tender Offeror and other directors (including directors who are members of the Audit and Supervisory Committee) of the Target Company regarding their assumption of office or treatment after the Transactions. The management structure, including the composition of officers of the Target Company after the completion of the Transactions, will be determined in consultation with the Target Company after the completion of the Transactions.

(Note 4) A “management buyout” (MBO) generally refers to a transaction where the management team of a company being acquired invests all or part of the acquisition funds and acquires the company’s shares on the assumption that the business of the company will continue.

In implementing the Tender Offer, the Tender Offeror has, as of today, entered into tender/ non-tender agreements respectively with Mr. Hiroshi Kaneda (shares owned: 300,771 shares; Ownership Ratio: 1.49%) and Mr. Yasuichi Kaneda, who is the sixth largest shareholder of the Target Company, who had been served as the Target Company’s chairman of the board and representative director from June 2014 to June 2020 and the father of Mr. Hiroshi Kaneda (“Mr. Yasuichi Kaneda”) (shares owned: 840,716 shares; Ownership Ratio: 4.17%) (collectively, the “Tender/Non-Tender Agreements”) to ensure that Mr. Hiroshi Kaneda and Mr. Yasuichi Kaneda will continue to hold the position of the shareholders of the Target Company after the Transactions, and Mr. Hiroshi Kaneda has agreed to tender 101,000 shares (Ownership Ratio: 0.50%) of the Target Company Shares owned by him in the Tender Offer and not to tender the remaining 199,771 shares (Ownership Ratio: 0.99%) in the Tender Offer and Mr. Yasuichi Kaneda has agreed to tender 281,000 shares (Ownership Ratio: 1.39%) of the Target Company Shares owned by him in the Tender Offer and not to tender the remaining 559,716 shares (Ownership Ratio: 2.77%) in the Tender Offer. In addition, the Tender Offeror has, as of today, entered into non-tender agreements respectively with Kaneda Kosan (shares owned: 2,924,120 shares; Ownership Ratio: 14.49%) and BK Finance Ltd. (“BK Finance”), an asset management company of Mr. Hiroshi Kaneda and Mr. Yasuichi Kaneda, and which Mr. Yasuichi Kaneda serves as a representative director (shares owned: 220,700 shares; Ownership Ratio: 1.09%) (hereinafter, Kaneda Kosan and BK Finance are collectively referred to as the “Shareholders Agreeing Not to Tender Any Shares”) (collectively, the “Non-Tender Agreements”), and the Shareholders Agreeing Not to Tender Any Shares have agreed not to tender any of the Target Company Shares held respectively by them (i.e. 3,144,820 shares; Ownership Ratio: 15.58%) in the Tender Offer. Thus, the total number of the Target Company Shares that Mr. Hiroshi Kaneda, Mr. Yasuichi Kaneda and the Shareholders Agreeing Not to Tender Any Shares (collectively, the “Shareholders Agreeing Not to Tender Shares”) have agreed not to tender in the Tender Offer is 3,904,307 shares (Ownership Ratio: 19.34%) (the “Shares Agreed Not to Be Tendered”). Further, in the Tender/Non-Tender Agreements and the Non-Tender Agreements, the Shareholders Agreeing Not to Tender Shares have agreed that (a) if the Tender Offeror does not succeed in acquiring all of the Target Company Shares (excluding the Target

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Company Shares held by the Tender Offeror, treasury shares held by the Target Company and the Shares Agreed Not to Be Tendered) despite the consummation of the Tender Offer, they will, after the consummation of the Tender Offer, vote in favor of any proposals at the Extraordinary Shareholders' Meeting (Note 5) relating to the series of procedures to make the Tender Offeror and the Shareholders Agreeing Not to Tender Shares the only shareholders of the Target Company and privatize the Target Company Shares (the "Squeeze-out Procedures") below; and (b) if requested by the Tender Offeror before the consolidation of the Target Company Shares under Article 180 of the Companies Act (Act No. 86 of 2005, as amended) (the "Share Consolidation"), which is carried out as part of the Squeeze-out Procedures, becomes effective, they will enter into a share lending agreement with respect to the Target Company Shares with the other Shareholders Agreeing Not to Tender Shares and carry out the Share Lending Transaction (Note 6).

(Note 5) The "Extraordinary Shareholders' Meeting" refers to an extraordinary shareholders' meeting which the Tender Offeror plans to request the Target Company to hold and where the agenda includes (a) a proposal to implement the Share Consolidation after the consummation of the Tender Offer, (b) a proposal to amend the articles of incorporation, subject to the Share Consolidation becoming effective, for the purpose of abolishing the provision regarding the share unit, as well as other matters considered reasonably necessary for the implementation of the Squeeze-Out Procedures.

(Note 6) The term "Share Lending Transaction" refers to a transaction in which, if requested by the Tender Offeror, a share lending agreement is executed between the Shareholders Agreeing Not to Tender Shares with respect to the Target Company Shares and one of the Shareholders Agreeing Not to Tender Shares who is to be a borrower borrows a portion or all of the Target Company Shares owned by Shareholders Agreeing Not to Tender Shares who are to be the lenders, with effective time set before the Share Consolidation takes effect. Specifically, it is planned that, in order to realize that Shareholders Agreeing Not to Tender Shares continue to hold the Target Company Shares even after the Squeeze-out Procedures, (i) Mr. Yasuichi Kaneda, Kaneda Kosan and BK Finance become lenders in the Share Lending Transaction and lend all of the Target Company Shares they own to Mr. Hiroshi Kaneda and (ii) after the Share Consolidation takes effect, Mr. Hiroshi Kaneda, the borrower in the Share Lending Transaction, unwinds the Share Lending Transaction and returns all of the Target Company Shares he borrowed to Mr. Yasuichi Kaneda, Kaneda Kosan and BK Finance.

In addition, in implementing the Tender Offer, the Tender Offeror has entered into a tender agreement (the "Tender Agreement") with Dalton Investments (shares owned: 3,699,700 shares; Ownership Ratio: 18.33%) today and pursuant to which Dalton Investments has agreed to tender all of the Target Company Shares held by it (shares owned: 3,699,700 shares; Ownership Ratio: 18.33%) in the Tender Offer. As a result, the total number of the Target Company Shares that Mr. Hiroshi Kaneda, Mr. Yasuichi Kaneda, and Dalton Investments have agreed to tender in the Tender Offer is 4,081,700 shares (Ownership Ratio: 20.22%).

The overview of the Tender Offer is as follows:

- (1) Name of the Target Company
Tenma Corporation
- (2) Class of Shares, Etc., to be Purchased, Etc.
Common stock
- (3) Price for Purchase, Etc.
3,580 yen per common stock
- (4) Period for Purchase, Etc.
From March 17, 2025 (Monday) to April 28, 2025 (Monday) (30 business days)

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(5) Settlement Commencement Date

May 9, 2025 (Friday)

(6) Number of Shares, Etc., to be Purchased

Class of Shares	Number of Shares to Be Purchased	Minimum Number of Shares to Be Purchased	Maximum Number of Shares to Be Purchased
Common Stocks	13,492,330 (shares)	6,764,800 (shares)	– (shares)
Total	13,492,330 (shares)	6,764,800 (shares)	– (shares)

(7) Tender Offer Agent

SMBC Nikko Securities Inc.

3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo

For details of the Tender Offer, please refer to the Tender Offer Registration Statement concerning the Tender Offer to be submitted by the Tender Offeror on March 17, 2025.

End

Soliciting Regulations

This press release is an announcement regarding the Tender Offer to the general public and is not prepared for the purpose of solicitation of selling. If a shareholder tenders his or her shares for selling, the shareholder is required to tender based on his/her own judgment after carefully reading the tender offer explanatory statement concerning the Tender Offer. This press release and reference documents thereof shall neither be, nor constitute a part of, an offer to sell or a solicitation thereof, or a solicitation of an offer to purchase, any securities whatsoever. Moreover, this press release and reference documents thereof (or any part thereof) or the fact of distribution thereof shall not be interpreted to be the grounds for any agreement related to the Tender Offer, nor can it be relied in concluding any agreement.

Regulations of the United States

The Tender Offer is for the shares of the Target Company, which is a company incorporated in Japan. The Tender Offer is to be conducted in accordance with the procedures and information disclosure standards prescribed in the laws of Japan, and these procedures and information disclosure standards are not necessarily the same as the procedures and information disclosure standards in the U.S. In particular, Section 13(e) and Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended), and the rules prescribed thereunder do not apply to the Tender Offer, and the Tender Offer does not conform to those procedures and standards. The financial statements contained in this press release and reference materials thereof have been prepared in accordance with Japanese accounting standards, which may substantially differ from generally accepted accounting principles in the U.S. and other countries. Moreover, as the Tender Offeror is a company incorporated outside of the U.S. and some or all of its directors are non-U.S. residents, it may be difficult to enforce any rights or claims arising under the U.S. federal securities laws. In addition, it may not be able to commence legal actions against a non-U.S. company or its directors in a non-U.S. court on the ground of a violation of the U.S. securities laws. Furthermore, a company incorporated outside the U.S. and its affiliates may not necessarily be compelled to submit to the jurisdiction of U.S. courts.

Unless otherwise provided, all procedures for the Tender Offer shall be conducted entirely in the Japanese language. Some or all of the documents relating to the Tender Offer are or will be prepared in the English language. However, should there be any inconsistency between the document in English and that in Japanese, the Japanese document shall prevail.

This press release and reference documents thereof contain “forward-looking statements” as defined in Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the U.S. Securities Exchange Act of 1934. Due to any known or unknown risks, uncertainties, or any other factors, it is possible that actual results may substantially differ from the description as expressly or implicitly indicated in these forward-looking statements. Neither the Tender Offeror, the Target Company nor any of their affiliates gives any assurance that the results expressly or implicitly indicated in these forward-looking statements will be achieved. The “forward-looking statements” in this Statement or reference materials thereof have been prepared based on the information held by the Tender Offeror or the Target Company as of today, and unless otherwise required by applicable laws and regulations, neither the Tender Offeror, the Target Company nor any of their affiliates is obliged to amend or modify such statements in order to reflect any events or circumstances in the future. During the period for purchase, etc. in the Tender Offer, the Tender Offeror, the Tender Offeror and the Target Company’s respective financial advisors and the Tender Offer Agent (including their respective affiliates) may, in addition to the ordinary course of their business and to the extent permitted under the related Japanese financial instruments and exchange laws and regulations and other applicable laws and regulations, make purchases or take actions in connection with the purchase of the Target Company Shares for their own accounts or for their customers’ accounts outside the Tender Offer in accordance with the requirements of Rule 14e-5(b) under the U.S. Securities Exchange Act of 1934. In such cases, the Target Company Shares may be purchased and sold at a market price through market transactions or at a price determined through negotiations outside the market. Such purchase and similar transactions may be made at a market price through market transactions or at a price determined through negotiations outside the market. If any information concerning such purchase is disclosed in Japan, such information will also be disclosed on the English website (or another means of disclosure) of the person who made such purchase.

Other Countries

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In certain countries or regions, the announcement, issue or distribution of this press release may be restricted under the laws thereof. In such cases, please take note of such restrictions and comply therewith. The announcement, issue, or distribution of this press release does not constitute any solicitation of an offer for selling, etc., or offer for purchase, etc., of shares concerning the Tender Offer, and it constitutes nothing more than the distribution of materials for reference.